2017 / 18 Annual Report

TSWELOPELE LOCAL MUNICIPALITY

TSWELOPELE LOCAL MUNICIPALITY

OUR MOTTO

"A municipality in progress"

OUR VISION

To be an accountable, transparent, non-racial Municipality that promotes economic development and provides sustainable services and improves the quality of life in the Community.

OUR MISSION

Tswelopele Local Municipality is committed to effective and transparent governance by:

(a) Promoting economic development
(b) Providing sustainable services , and
(c) Improving the quality of life of all people

VALUES

- Democratic values
- Good governance
- Transparency
- Honesty
- Equity
- Commitment
- Accountability
- Professionalism

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2 CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

2.1 COMPONENT A: MAYOR'S FOREWORD



We are proud as the Tswelopele Local Municipality, to acknowledge the collective efforts of the management team and our employees, service delivery partners, investors and all citizens to transform the municipality to be a better place for all.

We remain committed to improving the quality of life of our people, addressing the legacy of the past inequalities and ensuring all citizens including those on the margins of society have access to opportunities to earn and contribute to the economy. The municipality entered into an agreement with all the contractors for major projects to ensure that at least 30% of the total projects is subcontracted to the local emerging contractors to promote self- sustainability and social inclusivity.

We are not simply delivering services to our people but work as 'servants of the people'. The council of the municipality through the offices of the speaker and the Mayor has embarked on public participation to encourage the community to participate in the affairs of the municipality and stay abreast of the development in the respective areas.

The municipality has in the 2017/ 2018 financial year regressed in terms of the audit of financial statements due to the challenges faced by the municipality with regards to key vacant positions, accuracy and completeness of the asset register. The municipality has developed an audit action plan to this effect to address all the issues identified by the office of the Auditor General on the audit of financial statement, performance information and compliance. This audit action plan will be monitored closely by management team and the council of the municipality to ensure effective implementation thereof.

The municipality is also faced with a serious challenge of revenue collection due to non-payments of municipal services by consumers, we have seen an increase of more than 10 million on the receivables from exchange transactions since last financial year (2016/ 2017) and this is due to non-payments of municipal accounts by consumers and challenges faced with the new MSCOA compliant financial system with regards to issuing of municipal accounts on time to the consumers. We therefore would like to encourage our community to pay/ make payments arrangement for their municipal accounts and also encourage all the families falling under the threshold of indigents to come to the municipal offices with all relevant documentations to apply for free basic services.

The municipality has adequate and effective fraud and corruption prevention and response strategies to eliminate the possibilities of such activities in the municipality, as well as to improve financial sustainability in the organisation.

I would like to take this opportunity to acknowledge the efforts of the municipal leadership and its officials in advancing municipal strategic and transformative plan during the reporting year and to thank them for their readiness and perseverance in implementing the IDP objectives.



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CLLR T F MATSHOLO

MAYOR

2.2 COMPONENT B: EXECUTIVE SUMMARY

2.3 MUNICIPAL MANAGER'S OVERVIEW



It is with great pleasure that I present Tswelopele Local Municipality's 2017 / 18 Annual Report for the period 1 July 2017 to 30 June 2018. Through this report, we track our progress in terms of the goals we set in the municipal Integrated Development Plan, which in the long term will foster a physical and socio-economic environment that is liveable, sustainable and resilient for all our citizens.

Addressing historical challenges the municipality has prioritised implementation plans that will eradicate the historical challenges associated with poverty, unemployment and inequality; and address resource scarcity with respect to water, energy and land space in an environmentally sustainable manner.

We developed implementation plans contained in the revised five-year Integrated Development Plan [IDP] and annual SDBIP. The IDP aims to develop a sustainable and resilient municipality by creating a sustainable environment, promoting the conservation of natural and scarce resources, and developing infrastructure to improve access to educational services, transport and employment. Currently, 95% of the community have access to the four basic services of water, electricity, sanitation, waste water and solid waste management. There are new formalized developments both in Hoopstad and Bultfontein of which the municipality has applied for funding to provide basic services to the new developments.

The municipality is striving towards improved financial performance by embarking on a revenue enhancement strategy that will assist the municipality going forward to improve financial viability. The municipality is faced with serious challenges of under revenue collection due to the consumers of municipal services not paying for the services rendered. Our municipality is grants reliant due to the above mentioned challenges. It is in this line we encourage our people to make payments arrangements on their accounts with the municipality.

Our commitment to providing services to all our residents is achieved through our greatest assets: our employees working across various operational disciplines. The municipality aims to foster a high-performance ethos by attracting and retaining skilled and qualified people. The vision of delivering professional, diverse and competent human capital is achieved through our Human Resources Policies, which is implemented across the municipality. I would like to express my appreciation for the support received from the political leadership in Council, the Mayor, and the Speaker, EXCO, MSA Section 80 Committees, Audit Committee, Performance Management Committee and Municipal Public Accounts Committee. Administratively I would like to thank the Management team and the

entire staff of the Municipality for their continued support. Collectively we remain committed to efficient service delivery and the attainment of a liveable, sustainable and resilient municipality.



MS. MRE MOGOPODI
MUNICIPAL MANAGER

3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

3.1 BACKGROUND DATA

Tswelopele Local Municipality falls in the Lejweleputswa district area which is situated in the central Free State about a 100 km north west of Bloemfontein. It consists of Bultfontein, Phahameng, Hoopstad and Tikwana and their surrounding rural areas.

Tswelopele Local Municipality has a total population of 47 625 people, of which 91% are African Black, 7% are White, with the other population groups making up the remaining 2%. The Municipality is 6 506, 68 square kilometres in extent and with the surface area of 652 544, 3 Ha.

The municipal unemployment rate stands at 34, 8%. 14 868 people are economically active (employed or unemployed but looking for work), and of these 35% are unemployed. Of the 8145 economically active youth (15 – 34 years) in the area, 46% are unemployed.

The municipal council consists of fifteen members elected by mixed-member proportional representation. Eight councillors are elected by voting in eight wards, while the remaining seven are chosen from party lists so that the total number of party representatives is proportional to the number of votes received.

3.2 DEMOGRAPHIC PROFILE

All municipal demographic statistics as depicted by the different tables underneath relates to the census survey of 2011 that was conducted by the Statistics South Africa. The data is for statistical purpose only as it does not relate to the year reported herein.

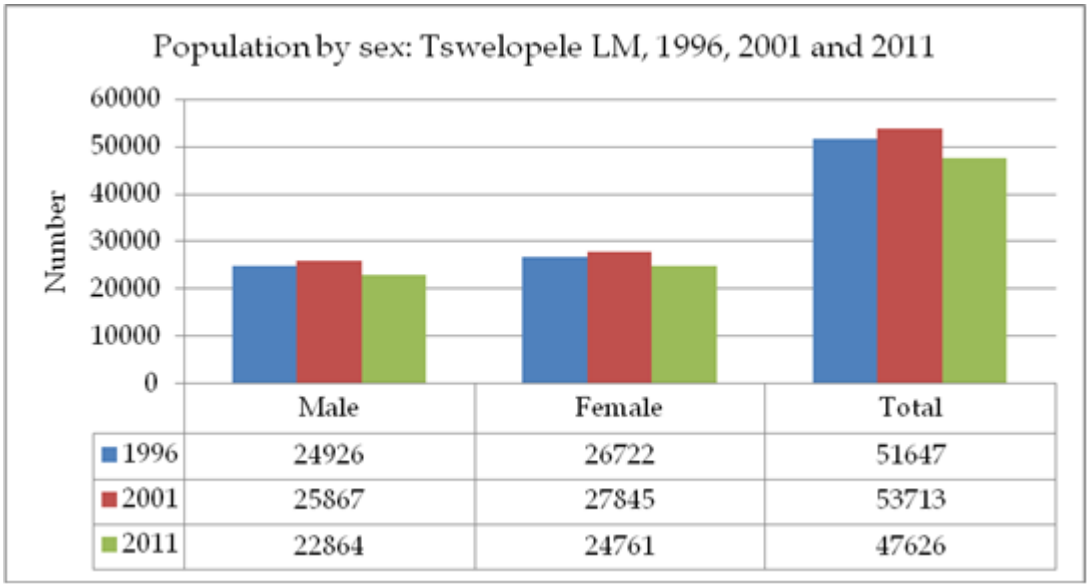
Tswelopele Municipality is 6 506 68 square kilometres in extent. The demographic profile of the municipality according to the most recent information available is shown in the table below:

Description	1996 – Stats SA	2001 - Stats SA	2007– Community Survey	2011 - Stats SA	2016 – Stats SA
No. of households	12 623	12 624	12 987	11 992	13 705
Average people	4,40	4,2	8.18	4	3.5
Total population	58 858	55 591	53 713	47 625	47 373

The key statistics mentioned above as reflected in Census 2001 are shown to place the municipality's performance in the proper context.

According to the graph below, the population number in the municipality appears to decline, recording a marginal decline of 1.2% over 2001 to 2011.The number of households has declined from 12 624 in 2001 to 11 992 in 2011. The number of households has declined from 12430 in 2001 to 11 992 in 2011 and increased to 13 705 in 2016 community survey

Figure 1: Distribution of population by sex: Tswelopele LM, 1996, 2001 and 2011



	Male	Female	Total
1996	24926	26722	51647
2001	25867	27845	53713
2011	22864	24761	47626

Source: Statistics SA, Census, 1996, 2001 and 2011

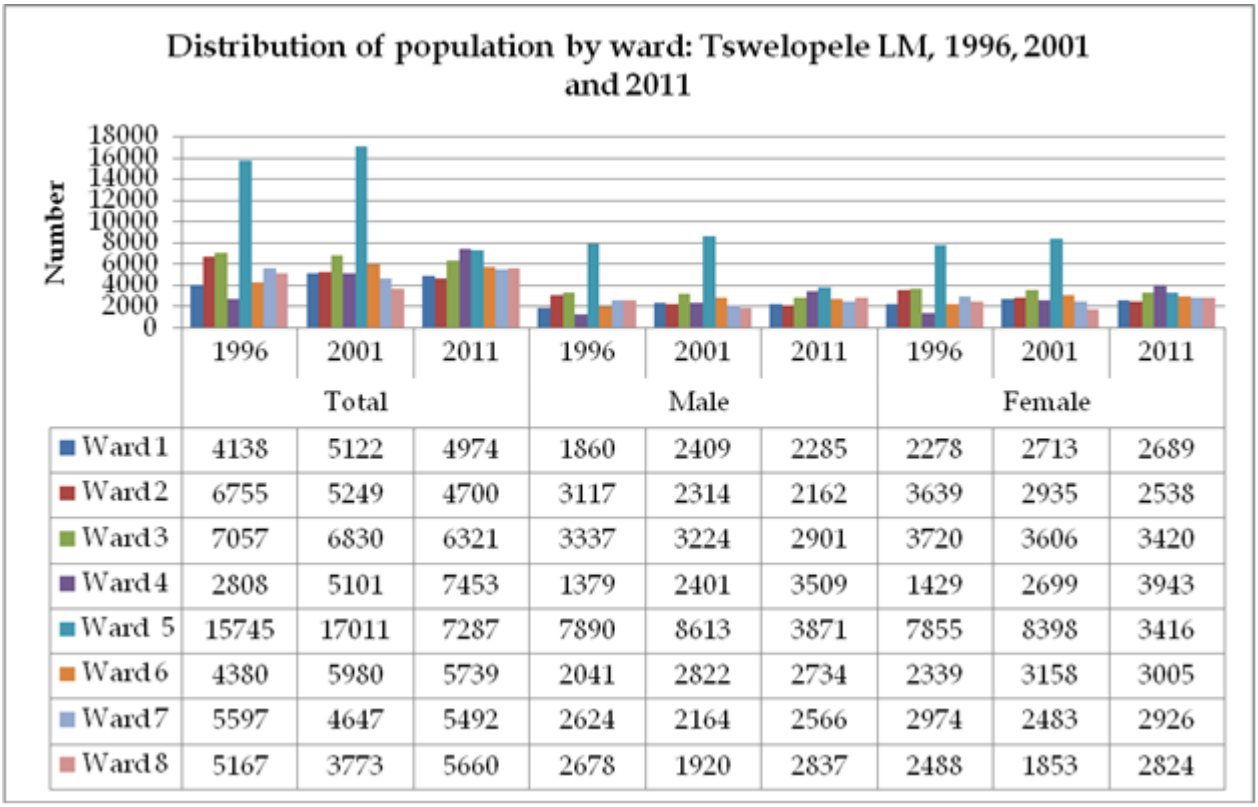
This graph shows that the population in terms of males increased by 3.8% from 1996 to 2001 and showed a decrease of 11.6% in 2011 the reasons for this decrease should investigated as they might have negative impact on the local economic development of the area. The population in terms of females showed an increase of 4.2% from 1996 to 2001 and showed a decrease of 11% which is more or less the same decrease of the males in 2011. The reasons for this decrease must be investigated.

The 2016 community survey shows a slight decrease in the total population of men as compared to 2011 sensors count from 22 864 to 22 858 which is a decrease of 6 men. The reasons to this slight decrease are not know and might be investigated.

The 2016 community survey also shows a slight decrease in the total population of women as compared to 2011 sensors count from 24 761 to 22 515 which is a decrease of 6 women. The reasons to this slight decrease are not know and might be investigated.

3.3 POPULATION BREAKDOWN PER WARD, AGE AND GENDER

Figure 3: Distribution of population by sex: Tswelopele LM, 1996, 2001 and 2011



	Total			Male			Female		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Ward 1	4138	5122	4974	1860	2409	2285	2278	2713	2689
Ward 2	6755	5249	4700	3117	2314	2162	3639	2935	2538
Ward 3	7057	6830	6321	3337	3224	2901	3720	3606	3420
Ward 4	2808	5101	7453	1379	2401	3509	1429	2699	3943
Ward 5	15745	17011	7287	7890	8613	3871	7855	8398	3416
Ward 6	4380	5980	5739	2041	2822	2734	2339	3158	3005
Ward 7	5597	4647	5492	2624	2164	2566	2974	2483	2926
Ward 8	5167	3773	5660	2678	1920	2837	2488	1853	2824

Analysis are made in terms of population per ward and that the most popular ward and which shows high population vacillations is ward 5, as per the above table the ward had a population of 15 745 people in 1996 and increased to 17 011 people in 2001, the statistics showed an enormous to 7 287 people in 2011 and this is due to the demarcation processes that took out extension 7 & 8 and the ward thereafter consisted of the farms only. As a result of demarcation processes undertaken every 5 years the municipality cannot make a clear analysis of population vacillations per ward to the local economic development abroad.

3.4 POPULATION PER MUNICIPAL AREA

Population Group	Sandveld		Hoopstad		Tikwana		Tswelopele NU		Bultfontein		Phahameng	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Black African	9	3	237	144	6744	7605	3711	3189	420	420	9615	11355
Coloured	-	-	12	12	156	144	90	57	3	6	39	57
Indian or Asian	-	-	12	6	39	3	-	3	15	3	78	18
White	-	-	405	450	9	15	609	537	567	702	6	3
Other	-	-	15	9	21	3	15	6	27	15	15	-
Sub-total	9	3	681	621	6969	7770	4425	3792	1032	1146	9753	11433
Total	**12**		**1302**		**14739**		**8217**		**2178**		**21186**	
Statistics South Africa: Census 2011												

3.5 SOCIO ECONOMIC STATUS INDIVIDUAL MONTHLY INCOME

Ward	R 1 - R 800	R 801 - R 3 200	R 3 201 - R 12 800	R 12 801 - R 51 200	R 51 201 - R 204 800	R 204 801 or more	No income	Unspecified	Not applicable
Ward 1	1923	813	105	30	3	-	2016	81	-
Ward 2	1653	747	147	21	-	3	2067	66	-
Ward 3	2121	1335	282	36	3	-	2430	111	-
Ward 4	2424	1263	528	159	15	3	2643	300	117
Ward 5	1842	2361	216	99	36	12	2268	423	30
Ward 6	2028	921	123	24	6	-	2460	177	-
Ward 7	1638	1098	267	57	-	-	2238	189	-
Ward 8	1572	978	363	135	18	15	1845	351	378

Statistics South Africa: Census 2011

3.6 EMPLOYMENT STATUS

Ward	Employed		Unemployed		Discouraged work-seeker		Other not economically active		Age less than 15 years		Not applicable	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Ward 1	369	282	252	450	192	252	435	639	-	-	1038	1068
Ward 2	318	249	348	384	138	216	438	624	-	-	918	1068
Ward 3	480	393	330	405	66	141	792	1131	-	-	1233	1347
Ward 4	948	513	450	696	102	213	564	864	-	-	1446	1659
Ward 5	2130	849	75	192	18	150	387	1080	-	-	1260	1140
Ward 6	519	324	204	291	120	186	798	1017	-	-	1095	1185
Ward 7	543	441	246	330	171	243	603	831	-	-	1005	1086
Ward 8	882	453	204	315	57	99	651	870	-	-	1044	1083

Statistics South Africa: Census 2011

3.7 OVERVIEW OF NEIGHBOURING MUNICIPALITIES

Local Municipality	Black African		Coloured		Indian or Asian		White		Other		Grand Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Masilonyana	29250	28764	402	324	174	33	2004	2211	129	39	63330
Tokologo	12135	12348	660	666	174	21	1380	1503	63	36	28986
Tswelopele	20733	22719	303	273	141	30	1596	1704	93	33	47625
Matjhabeng	176805	179544	4251	4482	1002	453	18915	20217	534	255	406458
Nala	36078	39573	237	264	162	45	2250	2424	138	45	81216
Grand Total	275001	282948	5853	6009	1653	582	26145	28059	957	408	627615

Statistics South Africa: Census 2011

4 MUNICIPAL FUNCTIONS

Tswelopele Local Municipality is dedicated to the provision of sustainable quality services to its residents. The municipality is responsible for the provision of basic services and constitutionally mandated to perform in terms of Schedule 4 (Part B) and Schedule 5 (Part B) of the Constitution of Republic of South Africa, 1996

5 SERVICE DELIVERY OVERVIEW

The municipality continued to ensure the sustainable provision of services to the community. Public members who have registered in the indigent register also continued to benefit from municipal services. Tswelopele had also experienced an increase in the number of households receiving subsidies from the municipality, as reflected by statistics. This can be attributed directly to the economic downturn in the area as most people are unemployed.

5.1 ELECTRICITY SERVICES

The municipality provides electricity in the towns. Applications for new connections in town are also done by the municipality while Eskom provides electricity in the townships. Each registered indigent household receives 50kW of electricity per month. The municipality has made an application to ESKOM for the new developments in both Tikwana and Phahameng.

5.2 ACCESS TO BASIC SERVICES

The municipality provides water to all households in the residential areas. The municipality is currently facing challenges of water being wasted through leaking of toilets as residents normally do not fix leaking toilets. Due to the high demand for water, the municipality is interrupting the supply of water during the night to increase the levels of the reservoirs in order to provide water to all households during the day. The municipality has embarked on campaigns to fix toilets and to educate the community on saving water. The municipality has through the assistance of ACIP and RBIG managed to curb the water losses by upgrading the existing bulk water infrastructure in both towns.

6 FINANCIAL HEALTH OVERVIEW

6.1 ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)

Descriptions	2017/ 2018 Actual	2017/ 2018 Budget	2017/ 2018 Variance	2017/ 2018 Variance
	R	R	R	%
REVENUE				
Property Rates	22 737 843	17 000 000	5 737 843	134%
Property rates – penalties and collection charges	-	-	-	-
Service charges	50 265 636	53 227 000	(2 961 364)	100%
Rental of facilities and equipment	607 916	512 000	70 916	113%
Interest earned – external investments	1 025 110	500 000	525 110	205%
Interest earned – outstanding	196 959	1 000 000	(803 041)	20%

debtors				
Dividends received	51 428	50 000	1 428	103%
Fines	268 900	40 000	228 900	672%
Licences and permits	-	60 000	(60 000)	-
Agency services	-	-	-	-
Transferred recognised	99 446 151	114 306 000	(14 859 849)	87%
Other Income	1 396 869	2 155 000	(758 131)	65%
Gains (loss) on Disposal of PPE	-	4 250 000	(4 250 000)	-
TOTAL REVENUE	**175 996 812**	**193 100 000**	**17 128 188**	**91%**
EXPENDITURE				
Employee related costs	61 913 496	59 122 000	2 293 496	104%
Remuneration of councillors	5 424 812	6 135 000	(710 000)	88%
Debt impairment	6 763 072	5 641 000	1 122 072	120%
Depreciation and asset impairment	26 574 257	19 669 000	6 905 257	135%
Finance charges	7 812 659	2 178 000	4 905 257	271%
Bulk purchases	36 437 704	31 916 000	4 521 704	114%
Other materials	-	8 324 000	(8 324 000)	-
Contracted Services	959 648	1 000 000	49 648	105%

Loss on disposal of PPE	2 343 817	-	2 343 817	-
Other expenditure	35 158 692	32 100 000	(2 015 308)	95%
Impairment of assets	127 624	-	127 624	-
TOTAL EXPENDITURE	**183 515 781**	**166 085 000**	**12 208 781**	**107%**
NET SURPLUS/ (DEFICIT) FOR THE YEAR	**(7 518 969)**	**27 015 000**	**(29 336 969)**	**(34)%**

6.2 EXPENDITURE

Figures in Rand	Note(s)	2018	2017 Restated*
Expenditure			
Employee related costs	29	(61 913 496)	(57 856 692)
Remuneration of councillors	30	(5 424 812)	(4 782 759)
Depreciation and amortisation		(26 574 257)	(27 033 923)
Impairment loss		(127 624)	
Finance costs	31	(7 812 659)	(4 760 278)
Debt Impairment	32	(6 848 848)	(13 053 174)
Bulk purchases	34	(36 437 704)	(34 143 828)
Contracted services	35	(959 648)	(38 448)
Loss on disposal of assets & liabilities		(2 343 817)	-
Fair value adjustment		(93 513)	-
Loss on biological assets		-	(2 303 038)
General Expenses	36	(34 979 403)	(41 296 174)
Total expenditure		(183 515 781)	(185 926 968)

7 ORGANISATIONAL DEVELOPMENT OVERVIEW

7.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The role of corporate services department within the institution is to provide administrative, legal and human resource management function to the Council, EXCO, the Municipal Manager and other employees of Council. The department also deals with issues such as training, recruitment and skills development of employees.

The positions of the municipal manager, chief financial officer and the director technical services have been filled, the post of the director corporate services is under sub-Judy care and feedback will be provided once the matter has been finalized. There are key vacant positions in the municipality and the municipality is in the process of filling the key vacant positions. The council has stablished the positions of 2 PMU technicians in order to improve basic service delivery and infrastructure development in the municipality.

Employees and councillors participated in different learning programmes and interventions during the 2017 / 18 financial year in terms of the Workplace Skills Plan submitted to LGSETA. Graduates and experiential learners received training in various fields (on the job training).

7.2 AUDITOR-GENERAL REPORT

The municipality has in the 2017/ 2018 financial year regressed in terms of the audit of financial statements due to the challenges faced by the municipality with regards to key vacant positions, accuracy and completeness of the asset register. The municipality has developed an audit action plan to this effect to address all the issues identified by the office of the Auditor General on the audit of financial statement, performance information and compliance. This audit action plan will be monitored closely by management team and the council of the municipality to ensure effective implementation thereof.

7.3 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July

2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4th quarter Report for previous financial year	
	Submit the 4th quarter Report to council for noting	
4	Submit draft 17/18 Annual Report to Internal Audit for review.	August
5	Audit/Performance committee considers draft Annual Report of municipality.	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
9	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	**September - October**
10	Municipalities receive and start to address the Auditor General's comments	January
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
12	Audited Annual Report is made public and representation is invited	February
13	Oversight Committee assesses Annual Report	
14	Council adopts Oversight report	March
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	March

8 CHAPTER 2 – GOVERNANCE

8.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

8.2 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The mayor is the key figure in the municipality in terms of section 52 of the Municipal Finance Management Act, 2003, [Act 56 of 2003]. Mayor is the chairperson of the Executive Committee [EXCO] that is responsible for receiving reports from various Section 80 Committees of Council and makes recommendations to Council as determined by Section 49 of the Municipal Structures Act, Act 117 of 1998].

The speaker is the chairperson of Council and performs function as stipulated in section 37 of the Municipal Structures Act, 1998, [Act 117 of 1998]. The mayor's duties and functions include any ceremonial functions, and exercise powers delegated to the Mayor by Council or the Executive Committee. The speaker ensures that the council meets at least quarterly, ensuring compliance in the council and Council Committees with code of conduct.

The Audit Committee consists of four members and met as scheduled, four times per annum in terms of its approved terms of reference; however there were other special audit committee meetings conducted. The Audit Committee has reviewed and discussed with the Accounting Officer the Audited Financial Statements to be included in the annual report, reviewed the accounting policies and practices.

8.3 POLITICAL STRUCTURE

8.3.1 MAYOR

The Mayor presides at the meetings of the Executive Committee. The Mayor performs duties and functions including any ceremonial functions, and exercise powers delegated to the Mayor by Council or the Executive Committee.

8.3.2 SPEAKER

Presides at Council meetings and performs duties and exercises powers delegated to the Speaker in terms of section 59 of Local Government: Municipal Systems Act, 2000 [Act 32 of 2000]. Furthermore the Speaker has the following functions:

- To ensure that the council meets at least quarterly
- To maintain order during council meetings
- To ensure compliance in the council and council committees with the Code of Conduct
- To ensure that council meetings are conducted in accordance with rules and orders of the Council.

8.3.3 EXECUTIVE COMMITTEE

The executive committee of the municipality consisted of the following councillors during the year under review:

- Mayor;
- Chief Whip of the ruling party; and
- One councillor of the opposition.

Tswelopele Local Municipality is a collective executive committee system and it consists of the council, which is the highest decision making body and it meets quarterly with the Executive Committee meeting once in every month.

Below is the names of councillors and constituencies:

WARD COUNCILLORS

WARD	WARD COUNCILLORS
Ward 1	Bangani Petrus Eseu
Ward 2	Magojenyane Henry Segopolo
Ward 3	Mzonjani Johannes Mgciya
Ward 4	Molahlehi Andries Monei
Ward 5	Motshabinyana Welhemina Raseu

Ward 6	Moeketsi Brudiwicks Mohlabakoe
Ward 7	Teboho Thomas Taedi
Ward 8	Mzonakele Simon Baleni

PR COUNCILLORS

PR. COUNCILLORS
Frans Tankiso Matsholo
Dilahloane Agnes Njodina
Matebalo Suzan Bonokwane
Moshe Moses Snyer
Charles Horn
Elizabeth Catharina Joubert
Teboho Alec Soaisa

8.3.4 POLITICAL DECISION-MAKING

The Council of the Tswelopele Local Municipality is the highest decision-making authority in the institution. It guides and instructs the administrative component, which implements the decisions taken by the political component through resolution implementation process. The council resolution execution register is kept and maintained by the Office of the Municipal Manager, in order to track the implementation of all resolutions taken at different committees.

8.4 OTHER COUNCIL GOVERNANCE STRUCTURES

8.4.1 PERFORMANCE AUDIT COMMITTEE

The Municipality has a functional Performance Audit Committee in place, guided by an Audit Committee Charter. The members of the committee are all external individuals and advise council on matters relating to governance and compliance issues quarterly.

8.4.2 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The municipal council has appointed Municipal Public Account Committee to handle matters of oversight and other municipal operations. For the period reporting, the committee conducted MPAC meetings to scrutinise and advice council on the annual report, public hearings were also scheduled and successfully attended by the community members in both towns of Hoopstad and Bultfontein.

8.5 ADMINISTRATIVE GOVERNANCE

The municipal manager is the head of the administration and accounting officer of the institution. The political leadership through the mayor and the administration through the municipal manager complement each other in implementing council resolutions and other municipal programmes that are promoting good governance and public participation.

8.6 INTERGOVERNMENTAL RELATIONS

Intergovernmental relations are intended to promote and facilitate cooperative decision making and to ensure that policies and activities across all spheres of government encourage service delivery and meet the needs of citizens in an effective way also to assist in curbing the duplication of various resources.

8.7 COMPONENT B: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The objective is achieved by holding public meetings, ward meetings, communication with and through non-governmental organisations and with the use of Community Development Workers. Political leaders of parties represented in council also give feedback to the community through meetings of those structures and the municipal website which is updated on the regular basis.

8.7.1 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The following mechanisms are used as tools to ensure public participation and communication with the community of Tswelopele: loud-hailers, ward councillor's meeting, Community Development Workers and ward committees hold their sectional meetings in their respective wards to enhance public participation.

The IDP and budget consultative meetings are held, as stipulated by law, through different forums and they are inclusive of steering committee, stakeholder's forum, sectional meetings, ward and mass meetings. All these meetings are held on scheduled dates and communicated to the public through local newspapers or municipal notice boards as prescribed by law. The efficiency and effectiveness of these forums is improved through taking members to workshop that provide them with relevant skills.

The municipality is committed to public engagement and participation in planning and decision-making processes. In this regard, it has established a broad spectrum of engagement and consultation programmes and platforms aimed at the various communities.

Ward committees have a crucial role of ensuring that community needs are reported to the municipality through the Office of the Speaker. The municipality is in full support of all ward committees and to sustain their existence as they serve as a point of contact between the municipality and the residents.

8.7.2 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

8.8 COMPONENT C: CORPORATE GOVERNANCE

8.8.1 RISK MANAGEMENT

The Municipality have an approved risk management policy which outlines the municipality's commitment to managing risks events which might impact on the achievement of our objectives. Furthermore the Municipality have an approved risks management strategy which details our plan of action on how to effectively implement the risk management policy in day to day activities.

In executing the risk management strategy risk assessments were conducted and the risk register was compiled accordingly. Furthermore the risk response plans to further mitigate the risks were documented and monitored regularly to ensure that risks owners are effectively managing risks in their respective areas of work.

The Municipality had a functional Risk management Committee chaired by an independent person. The Committee which provide oversight on risk management activities. This committee have met on quarterly basis as scheduled.

The charter for the combined committee have been amended with the responsibilities of the committee on aspects of risk management clause.

8.8.2 ANTI-CORRUPTION AND FRAUD

To promote zero tolerance environment to fraudulent and corrupt activities, the Municipality Fraud and Corruption Policy and Fraud and Corruption Prevention Plan were approved by council for 2017/18 financial period which were also communicated to all officials.

The Audit, performance and risk committee members' have also signed disclosure of interest forms to ensure that there won't be conflict of interest.

8.8.3 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT UNIT

The Supply Chain Management unit operates under direct supervision of the CFO. The Manager: SCM & expenditure reports to the CFO.

The SCM regulations stipulate the following:

a) SCM regulation 6(2) (a) (i) - that the council of a municipality must maintain oversight over the implementation of its SCM policy. For the purpose of such oversight the accounting officer must within 30 days of each financial year submit a report on the implementation of the SCM policy of the municipality to the Council.

b) SCM regulation 6(2) (3) – the Accounting Officer shall within 10 days after the end of each quarter submit implementation reports on SCM to the mayor.

Adoption of SCM Policy

The SCM policy has been adopted by council, the management reports to council on quarterly basis on the implementation of the SCM policy as required by the regulations.

8.8.4 BY-LAWS

A by-law is a law that is passed by the council of a municipality to regulate the affairs and the services it provides within its area of jurisdiction.

As people have a right and duty to participate in government and civil society, public participation conducted included holding community meetings, joining civil and / or political organisations, public hearings and public consultation meetings.

All by-laws are enforced by way of policies or municipal courts and notices in Provincial Gazette. Public hearings are held in all the towns falling under the jurisdiction of our Municipality. The inputs of the community are incorporated into the document, after completion of this process; the by-laws were been promulgated in the Provincial Gazette to have an effect of the law.

8.8.5 WEBSITE

Documents published on the Municipality's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual reports	Yes
The annual report (2016 / 17) published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2013 / 14) and resulting scorecards	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	N/A
All supply chain management contracts above a prescribed value	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes
Contracts agreed in to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-private partnership agreements referred to in section 120	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during the year (The municipality also placed the section 72 reports-Mid Year Assessment)	Yes

MUNICIPAL WEBSITE CONTENT AND ACCESS

The municipal website has been updated with recent municipal information as guided by section 75 of the MFMA.

All the information relating to quotations, procurement advertisement is uploaded through Corporate Services department by the office of Information Technology. The IT division has also developed a procedure to be followed when uploading information: -

- Users complete a form when requesting the information to be uploaded
- Head of Corporate services authorises the form and acknowledges the information to be uploaded
- The information is then forwarded to the IT office in a soft copy format
- Thereafter the IT Officer will login as the administrator and upload the information on the website
- Upon successful uploading of information, it should be accessible within five minutes.

8.9 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality did not conduct any public satisfaction surveys on municipal services for the period under review. The office of the Speaker is intending to conduct community satisfactory survey for 2017/ 18 performance of the municipality and the report from the survey will publicised once finalized and approved by council.

The municipality has a manual complaints and complements registers used by the community members for any complaints and compliments with regard to the services provided by the municipality in both Hoopstad and Bultfontein. The register is monitored by the senior management to ensure that all the issues raised by the community in the register have been addressed.

The municipality is working with department of cooperative governance and traditional affairs in the province for the municipality to start using the electronic complaints management system hosted by the department.

9 CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The municipality is committed to quality service delivery for residents of Tswelopele and to the extension of basic services to those who were previously denied access.

These sections of the report put focus on the service delivery related areas of the municipality, including performance highlights as they prevailed for the period reported herein.

9.1 COMPONENT A: BASIC SERVICES

9.1.1 WATER PROVISION

The municipal strategic approach to the provision of water services is contained in the Water Services Development Plan (WSDP) that has been developed and approved by the council. The municipality will continue to curb the water losses that is being experienced and unaccounted. Strict measures will be enforced to deal with water wastage.

The table below shows the level of distribition of water in cubic meters to various sectors and households in the municipality and also provide the water losses for the financial year under review.

Total Use of Water by Sector (cubic meters)					
Year	**Agriculture**	**Forestry**	**Industrial**	**Domestic**	**Unaccountable water losses**
2015/ 16	N/A	N/A	577 264	2 051 410	892 367
2016/ 17	N/A	N/A	417 172	1 850 057	339 101
2017/ 18	N/A	N/A			

Description	2015 / 16	2016/ 2017	2017/ 2018
	Actual	Actual	
	No.		
Water: **(above min level)**			
Piped water inside dwelling	3820	3820	3820
Piped water inside yard (but not in dwelling)	8172	8172	8172
Using public tap (within 200m from dwelling)			
Other water supply (within 200m)			
Minimum Service Level and Above sub-total	11992	11992	12523
Minimum Service Level and Above Percentage	100%	100%	91%
Water: **(below min level)**			
Using public tap (more than 200m from dwelling)			
Other water supply (more than 200m from dwelling	N/A	NA	NA
No water supply			
Below Minimum Service Level sub-total	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%
Total number of households*	**11992**	**11992**	**12523**

The table above shows that 12523 households in the municipality have access to piped water services, there is total number of 1182 households that have below RDP standards basic services which are the new developments. The municipality has made an application for funding to service the new development in both towns. Currently the municipality has a committed funding from MIG to service the 499 sites (new development) in Tikwana for the 2018/ 2019 financial year and the project is in progress.

Description	2015/ 16	2016/2017	2017/2018		
	Actual	Original	Actual	Adjusted	Original
	No.	No.	No.		
FORMAL SETTLEMENTS					
Total households	11992	11992	12523	-	12523
Households below minimum service level	0	0	1182		1182
Proportion of households below minimum service level	0	0	0	-	0
INFORMAL SETTLEMENTS					
Total households	0	-	-	-	-
Households below minimum service level	0	0	0	-	-
Proportion of households below minimum service level	0	0	0	-	-

9.1.2 WATER (SANITATION) PROVISION

The municipality has successfully made an application for servicing of the 499 sites in Tikwana and the project is anticipated to start in the first quarter of the 2018/ 2019 financial year. The municipality is still faced with the delay in completion of the project relating to 837 households in extension 7 and 8 in Phahameng implemented by the department of Human Settlement in Free State province. Continuous engagements are done by the municipality with the department to assist with completion of the project.

The municipality has completed in the 2017/ 2018 financial year phase 2 for the upgrading of bulk water supply in Bultfontein to assist in improving the quality and sustainable water supply and curb the water losses. The municipality has reported an average of 7.5% of water losses for the financial year under review.

Description	**2014 / 15**	**2015 / 16**	**2016/ 17**	**2017/18**
	Actual	**Actual**	**Actual**	**Actual**
	No.	**No.**	**No.**	**No.**
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	11 138	11 138	11 138	12523
Flush toilet (with septic tank)	17	17	17	17
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	0	0	0	0
Other toilet provisions (above minimum. Service level)				
Minimum Service Level and Above sub-total	11155	11155	11155	12523
Minimum Service Level and Above Percentage	100%	100%	100%	91%
Sanitation/sewerage: **(below minimum level)**				
Bucket toilet	0	0	0	0
Other toilet provisions (below min.service level)	837	837	837	1182
No toilet provisions	0	0	0	0
Below Minimum Service Level sub-total	837	837	837	1182
Below Minimum Service Level Percentage				
Total households	**11992**	**11992**	**11992**	**13705**

9.1.3 ELECTRICITY

The basic level of access to electricity is defined as including connection of the household to the grid and basic level of service includes 10 AMP connection. Electricity generation and transmission is the sole responsibility of ESKOM. The municipality has been licensed by NERSA for distribution only.

9.1.4 WASTE MANAGEMENT

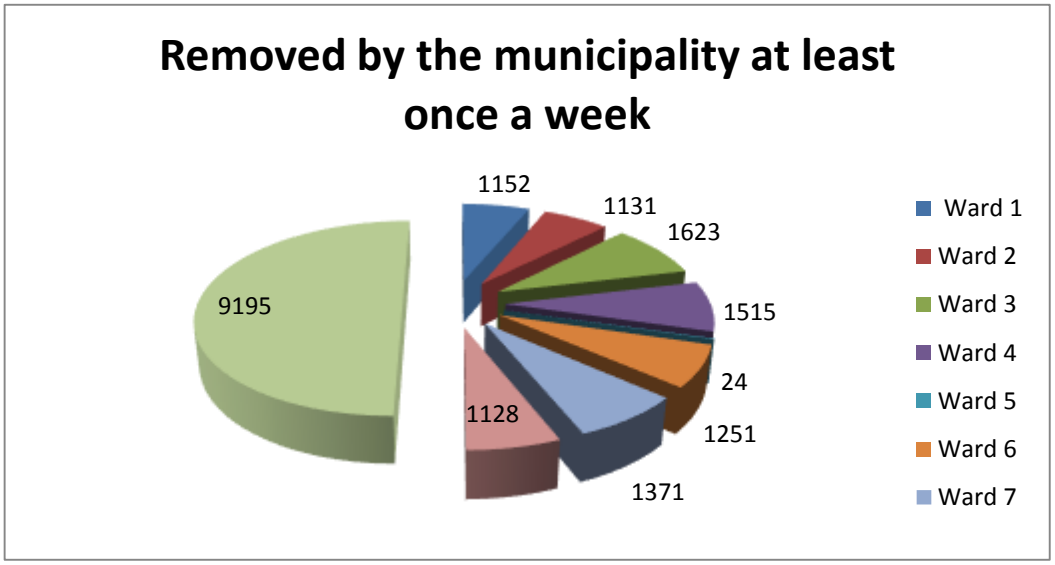
The following activities should be noted as highlights in 2017/18 financial year under the management of waste.

- In line with the National Domestic Waste Collection Standards, the municipality ensured that each household within the formalised residential areas received waste collection at least once a week in both towns. The waste collection service has been extended to new townships in Tikwana and Phahameng.
- The municipality has two operational landfill sites, one in each town.
- Both (Bultfontein and Hoopstad) Landfill sites have been licensed;
- Waste management By-Laws have been approved by council and gazetted;
- The Integrated Waste Management Plan was reviewed internally and approved by the council;
- The cleaning of streets is done daily in the two towns.
- Environmental awareness campaigns were held for community members.
- Municipality is assisting local waste pickers to encourage recycling.
- The Municipality successfully managed to report on the National Waste Information System on a monthly basis.

The following challenges were encountered by the municipality.

- Waste collection fleet is old and as a result there are regular break downs, which in turn affect and delay service delivery.
- Shortage of manpower for waste collection.
- Illegal dumping of refuse.
- Lack of machinery (yellow fleet) to assist with the management of landfill sites.

Number of houses with access to refuse removal



Statistics South Africa: Census 2011

9.1.5 HOUSING

Housing in the Free State Province is a provincial competency unless in instances where a municipality has been accredited by the provincial government to build government funded houses. The responsibility of Tswelopele Municipality with regards to housing is to allocate (sites), provide infrastructure and to maintain a waiting list of residents who qualify for RDP houses.

The municipality ensures the provision of land and use of municipal owned land in support of the housing programme as initiated by the Province. The municipality also conducts identification of well-located land suitable for social and other housing through Local Spatial Development Framework (LSDF) processes. The Municipality also allows for basic considerations, such as suitability and servicing, and applications are approved accordingly through Council resolutions.

Community Services department drafted an in-house Human Settlement Sector Plan and was approved by council in June 2017. The Human Settlement Sector Plan addresses all human settlement challenges and remedial action including informal settlement related issues.

The Municipality has received an allocation of Eight Hundred and Thirty Two (832) housing subsidy (BNG) for Phahameng Bultfontein and the project commenced in November 2017. The appointed contractor by the Department of Human Settlement is Tswara Thebe Construction. Currently the project is still on the process of completion. All beneficiary application forms have been approved by the Department of Human Settlement.

Inspite of the 832 housing allocation the Municipality to date has an erven backlog of 7738 and housing backlog of 3296. The number of people entered on housing and erven waiting list increases daily. The municipality is in the process of allocation erven to beneficiaries on two newly developed and proclaimed township

SITE ALLOCATION – 2016/17 FINANCIAL YEAR

EXTENSION	NO. OF SITE	SITE ALLOCATED TO DATE
Ext. 4 Tikwana	499	360
Ext. 9 Phahameng	481	380
Ext. 10 Phahameng / Bultfontein	429	0
652 Erven Tikwana	652	0

There are a number of title deed which are in the position of the Municipality. The title deeds are categorised per Ward, as indicated in the table below:

BULTFONTEIN / PHAHAMENG		
WARD NUMBER	**ISSUED OUT**	**REMAINING TITLE DEEDS**
Ward 1	20	22

Ward 2	35	19
Ward 3	57	33
Ward 4	21	15
Ward 5	0	0
TOTAL REMAINING WITHIN THE MUNICIPALITY : BULTFONTEIN		**89**
HOOPSTAD / TIKWANA		
WARD NUMBER	**ISSUED OUT**	**REMAINING TITLE DEEDS**
Ward 6	197	425
Ward 7	92	376
Ward 8	81	41
TOTAL REMAINING WITHIN THE MUNICIPALITY: HOOPSTAD		**842**

9.1.6 BASIC SERVICES AND INDIGENT SUPPORT

The municipal council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of section 152(1) (b) and 153(b) of the Constitution.

Basic services are generally regarded to be access to electricity, access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads. The key purpose of an indigent subsidy policy is to ensure that households with no or lower income are not denied a reasonable service, and on the contrary, the Municipality is not financially burdened with non-payment of services. Provided that grants are received and funds are available, the indigent subsidy policy should remain intact.

The Indigent Subsidy Scheme was introduced by the municipality in order to provide basic services to poor households (water, sanitation and energy). On an annual basis the indigent register is reviewed and residents who qualify are encouraged to apply. Entry level amount for the 2016 / 2017 financial year is determined as R 3 000 per month. Grants-in-aid may, within the financial ability of the municipality, be allocated to household owners or tenants of premises who receive electricity, refuse removal, water and sewer services as well as assessment rate services, in respect of charges payable to the municipality for such services.

Free Basic Services

Free Basic Services To Low Income Households										
	Number Of Households									
	Total	Households Earning Less Than R 3 500.00 per Month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2017 / 18	12523	12523	125023	91%	4388	36%	4388	36%	4388	36%

9.1.7 ROAD TRANSPORT

The municipality is required to provide safe, affordable, sustainable and accessible road network services and infrastructure that promotes integrated land use development. The municipality is not responsible for any road transport.

Gravel Road Infrastructure				
Financial year	**Kilometres**			
	Total gravel roads	**New gravel roads constructed**	**Gravel roads upgraded to pave**	**Gravel roads graded/maintained**
2011 / 12	98.8	500 m	0	180,5
2012 / 13	93.8	1 km	5 km	180.5
2013 / 14	92.3	1.5 km	0	120
2014 / 15	*90.8*	0	1.5 km	40 km
2015 / 16	*90.8*	0	0	50km
2016/ 17	*90.8*	0	0	36Km
2017/18	*90.8*	0	2 km	35 km

Tarred Road Infrastructure					
Kilometres					
Financial year	**Total tarred roads**	**New tar roads**	**Existing tar roads re-tarred**	**Existing tar roads re-sheeted**	**Tar roads maintained**
2011 / 12	54 km	0	0	0	5 km
2012 / 13	61 km	5 km	0	0	6 km
2013 / 14	61 km	0	0	0	1.5 km
2014 / 15	61 km	0	0	0	5 km
2015 / 16	61km	0	0	0	10
2016/ 17	61Km	0	0	0	2 km
2017/18	61km	0	0	0	2km

9.2 PLANNING AND DEVELOPMENT

9.2.1 PLANNING AND DEVELOPMENT

The municipality's main aim is to ensure the physical, environmental, social and economic integration and sustainability of the municipal development, in order to overcome the inequality that currently characterises the different residential areas.

Tswelopele is geographic position as well as its limited scope of growth coupled with the large unemployed population provides very little opportunities for planning and development. The biggest activities currently include building plans; rezoning applications; applications for consolidation and consent use.

The legislative environment hampers speedy development and whilst the gazetting of the Spatial Planning and Land Use Management Act is indicative of planning legislation reform.

The municipality through the assistance of CoGTA has reviewed in the financial year under review the Spatial Development Framework to be in line with the SPLUMA provisions. The review has been finalised in the 2017/ 18 financial year. This will assist the municipality to have an accurate plan for future development in the local authority.

The municipality needs to ensure the enforcement and building control on numerous illegal land uses. The practice of erecting new houses and extension of existing housing units occurs without residents submitting building plans to the municipality for approval. A further challenge is that residents run businesses at their houses without applying for such properties to be rezoned. Although this is a serious problem, the municipality has to balance legal compliance with the need to stimulate small business development.

The municipal council has approved a By –Law to regulate the building of new houses and extension of existing houses, the use of municipal building inspector will assist to ensure implementation of the By –Law to minimize the illegal building of new houses and extension of existing houses in the municipal local Authority.

9.2.2 LOCAL ECONOMIC DEVELOPMENT

The vision, mission and the objectives of the local economic development unit is to support the following strategic focus areas in stimulating the local economy:

- Agriculture Sector
- Tourism Sector
- Manufacturing
- SMME's Promotion

The municipality has reviewed the Local Economic Strategy in the financial year under review. Amongst others the objective of the strategy is to promote job creation in the local authority through assistance of the emerging farmers and cooperatives with the minimum resources directed to LED by the municipality and other sectors of government. The municipality is continuing to avail land to emerging farmers so that they can create sustainable jobs for themselves. The biggest achievement from Department of Rural Development and Land Reform LED have made a request for commonage fence is were fund construction of 15 KM strand Barbed wire Fence and two (2) animal handling Facilities in Bultfontein commonage amount tender of R 1623 829.68 Million and the construction have been completed.

SMMEE'S DEVELOPMENT

Tswelopele local Municipality is a small municipality whereby most SMMEE's do not have the high CIDB Grading that enable local contractors to bid for larger contracts. There have been a workshop emerging local contractors for how does 30% work for benefit the local contractors for subcontract the workshop was contacted by the Mayor.

As a form of uplifting emerging local contractors The Municipality has developed a policy that binds contractors who have a high CIDB Grading to subcontract emerging local contractors by allocating 30% of their work of scope to the emerging local contractors within the jurisdiction of Tswelopele Local Municipality.

A total number of twenty (20) SMMEE'S which included co-operatives were trained on how to tender. A total number of fifty (50) SMMES which included youth were trained certificate in skills programme of plastering NQF level 3 the certificate handover by the Mayor.

In developing agriculture in the area, the municipality have partnered with the Department of Agriculture where there is a programme called "Re Kgaba Ka Diratswana" which seeks to support the small farmers so that they can be able to sustain themselves through vegetable production.

TOURISM DEVELOPMENT

Municipality has developed multimedia tourism brochure software which is aimed at assisting municipalities to market their tourism establishments and the municipality as a whole globally. The goal of this project is to make Tswelopele Municipality's Tourism Products information reach target market through travel agencies, embassies, tourism centers and tourism indaba to yield socio economic benefits to the provincial economy. The tourism sector plan draft document is in place have been developed just need public participation and approved by the Council

The benefit with this software is that it safe cost of producing tourism brochures which cost high amount of money so by using this method information is packaged on municipal website. The municipality has also developed a responsible tourism sector plan through the assistance of Lejweleputswa development agency which is a document that seek to drive tourism development in the area.

9.3 COMMUNITY & SOCIAL SERVICES

9.3.1 MUNICIPAL FACILITIES

Tswelopele Local Municipality has the following facilities which are managed within Community Services Department, namely

- Amanda Coetzer Hall (Lapa)
- Bultfontein Town Hall
- Bultfontein Stadium
- Hoopstad Town Hall
- Hoopstad Stadium
- Louis Botha Hall (Pan Palace)
- Phahameng Hall
- Phahameng Stadium
- Solomon Mahlangu Hall
- Sebokolodi Hall
- Tikwana Stadium

The municipality has upgraded the municipal sports facilities (Phahameng and Tikwana). The project is funded by the municipal infrastructure grant.

9.3.2 CEMETERIES AND CREMATORIUMS

Tswelopele Local Municipality has a pauper burial policy where only the indigent and unknown deceased residents within the municipality are assisted with the burial process namely:

1. A free grave
2. Coffin (R1 000.00 for adult and R500.00 for children)

The applicants submit the required information to the municipality and the councillor / CDW (Community Development Workers) conduct a household study in order to determine the living conditions of the applicant. Community Services then verify whether the applicant is in the indigent registry. When all information meets all requirements then the municipality pays the funds to the undertaker on behalf of the family members.

Due to financial constrains this financial year the Municipality only assisted with a free grave for all pauper burials.

Tswelopele Municipality does not own or provide crematorium facilities and services. The municipality is committed to creating and maintaining landscaped cemeteries in a sustainable, clean and safe environment.

9.3.3 TRAFFIC MANAGEMENT

Tswelopele Local Municipality has four (4) traffic officers with a functional structure; all four traffic officers are servicing both towns (Bultfontein & Hoopstad) on a rotational basis. Their function includes law enforcement and traffic management. The unit prepares weekly plans as well as reports which details all activities undertaken.

Traffic Division also on regular basis conducts multi-stakeholder joint operations and roadblocks in collaboration with Provincial Traffic and South African Police Service. The division also work with Road Safety Directorate to conduct road safety educational campaigns at schools.

The unit ensures monthly reporting and consolidation of traffic fines which are submitted to internal audit and performance office. A total number of 939 traffic notices with 1286 cases were issued during the 2016/ 2017 amounting to R358 800.00.

9.3.4 DISASTER MANAGEMENT

Tswelopele Local Municipality in the 2017/ 2018 financial year did not experience any disaster incidents. Measures that are taken by the division are the following

- Disaster Management Plan – address all disaster related incidents , activities and remedial actions
- Establish Local Disaster Management Forum as to address all local issues in relation with disaster and that affects community directly
- Recruitment of Disaster Management Volunteers and training are in place as the volunteers are assisting the Municipality in terms of compacting disaster incidents
- Disaster Management Division conducts awareness and for the community in all wards on:

- Climate Change
- Drought
- Veld and Structural Fires.

- Participates in the District Disaster Management Forum meetings
- Conducts programmes in Disaster Risk Reduction and Response and Recovery
- Gather critical information about municipality's capacity to assist in disasters and access of resources
- Assess the conditions of vulnerability that might increase the chance of loss for environment, human and infrastructure.
- Determines the level of the risk for different situations and conditions
- Helps to set priorities for action.

The unit have developed the following plans: Disaster Risk Management Plan, Fire Management Plan and Business Continuity plan all was adopted by Council and the plans, are reviewed on annually basis. Disaster Risk Management plan is in line with National Disaster Management Framework and, Provincial Disaster Management Framework which addresses disaster risks through four Key Performance Areas (KPAs) and three Enablers.

9.4 EXECUTIVE AND COUNCIL

Tswelopele is a collective type municipality. Council structures are as follows: EXCO, Section 80 Committees, Ward Committees, etc. Committees are accountable to the Speaker. Staff is as follows: Office Manager, PPO and Driver.

The legislative and executive authority of a municipality is vested in its municipal council. Municipal council resolutions and recommendations are implemented. The municipal council exercise oversight authority over the executive actions of the mayor and the municipal manager in terms of delegated authority.

Sections 11 of MSA, directs a council to monitor municipal services, monitor the impact and effectiveness of services, policies, programmes and plans. Section 40 directs the council to monitor and review the council's performance management systems of specific responsibilities.

Section 80 Committees were established for the effective and efficient performance of any of its function's or the exercise of any of its powers. No vacancies existed in the Office of the Speaker for the financial year under review. The Manager in the Office of the Mayor is responsible for public participation and managing the office and the staff. The Public Participation Officer is responsible to ensure the community becomes involved in the affairs of the municipality. In the Office of the Mayor we have PA to the Mayor who is responsible for day to day running of the mayor's office, Special Programmes Officer is responsible for transversal issues, Youth Development Officer is responsible for youth programmes.

9.5 FINANCIAL SERVICE

The Financial Department is primarily responsible for executing all the financial management of the municipality. The functions of one of the sections, namely the Budget and Treasury Office, may be broken into the following components:

1. Budget and Reporting: this function spearheads the preparations and monitoring of the budgeting process. This also include mandatory reporting to all external stakeholders like National Treasury , Provincial Treasury among others

2. Supply Chain Management: this function is responsible for managing the entire procurement process arc cording to legislation and regulations. This is essential as all departments provisions within municipality are sourced through Supply Chain Processes.

3. Expenditure Management: this relates to all payments done within the municipality to service providers and salary of staff.

4. Revenue Management: this involves billing the customers for services provided by municipality and the collection process. This is key function as the municipality cannot function properly without funding. Consequently this function allows the municipality to continue to offer services to its customers.

5. Asset Management: This involves safeguarding of assets in accordance to legislation and council policies. Accounting for assets will enable the municipality to make some corrective measures and will result in efficient and effective service delivery to the community.

The financial administration is done together with all the departments within the municipality with the BTO taking the leading supportive role

9.6 HUMAN RESOURCE SERVICES

Human resources are the primary investment for the municipality and the municipality endeavours to maintain its investment in its staff hence the municipality is in the process of the recruitment of qualified individuals in line with the critical posts identified, organizational structure review, training of staff members as per the annual Workplace Skills Plan (WSP), comprehensive capacity building program for Councillors and a sound and conducive labour relations environment.

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Tswelopele Local Municipality is conscious of a lack of both infrastructure and skilled workforce to meet the needs of delivery services to our communities.

In managing workforce capacity development the municipality has developed a strategy with the following goals:-
- The right people with the right skills will be in the right place at the right time
- Analysis of the existing workplace to determine expected and internal supply
- Analysis of the gap between existing and future needs.
- Predict workforce needs for the future
- Develop strategies to address the gaps
- Continuously evaluate the process

In order to fully achieve the goals listed above, the municipality is investing in training of our personnel to become highly skilled.

CAPACITATION OF THE MUNICIPAL WORKFORCE:

Workforce training and development learning interventions were implemented satisfactory as planned.

The municipality managed to send employees and councillors to participate on various learning interventions to up skill the current knowledge and competencies of staff through various methods such as skills programmes, short course, learnerships and apprenticeship. Learning also extended to the unemployed community through participation in internships, learnerships and Work Integrated Learning programmes.

Capacity building is an ongoing process that requires continuous engagements with stakeholders, improved planning and regular planning and evaluation of progress made. The relevant beneficiaries for the minimum competencies have achieved the desired end results, however the training is also continuous as per the new appointments are made.

A number of programmes are in place to assist the employees and the municipality and all initiative programmes are aimed at building capacity for acceleration of knowledge and competencies.

During 2017/18 financial year the municipality did conduct skills audit of employees and management but Work Skills Plan was compiled and submitted to LGSETA on 30 April 2018. The municipality is intending to train five (5) councillors for Diploma or Certificate in Local Government Law & Administration with Fort Hare University. The course will start in due course.

The following training were conducted on employees;

1. Diploma in Law Certificate – 5- Concillors
2. MFMP – 5- Financial Interns
3. Project Management – 1 - PJ Loape
4. Office Management – 1 Vuiswa
5. Masters in Town Planning -1- MG January
6. B-Tech IT – 1- TA Makoko
7. Governance – 1 V Frans
8. Human Resource Management – 1 – Clara Leeuw
9. MSCOA – 18- employees- SJ Tooi, C Ndlovu, MM Segopa, PS Frans, I Van Aardt, C Leeuw, MH Moalosi, MS Phumo, MG Kgalaeng, M Moahludi, TA Makoko, SG Tsoleli, MP Madika, M Shuping, NP Mosetlho, VJ Saliwe

The municipality also provides for the health and welfare of all its employees. The municipality is having a dedicated Health and Safety Committee and regular workshops or awareness campaigns are conducted for all employees.

9.7 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The municipality has deployed Palo Alto Firewall and the demilitarized zone (DMZ) on its network to guard against cyber-crimes, to block certain websites that are not work related and spoofing e-mails. Furthermore the municipality has renewed its ESAT Anti-virus protection also to guard municipality systems against viruses.

The municipality has appointed Ntelecom company to host the municipality with, e-mails and VIOP services and Internet, the connection was also upgraded to 10Mbps. the municipality has also put on the Virtual private network (VPN)with 8Mbps connection in place to connect the remote side to the main side for financial system purpose. We have also deployed proxy server too. The municipality has appointed Munsoft to run the financial system that is SCOA compliant hence they is a need to upgrade the internet speed and network infrastructure because the system has to run live at all times and for backup purpose too.

The municipality has developed the ICT Strategic plan the purpose of the Municipality IT strategic plan is to ensure that the municipality will allocate sufficient resources and establish priorities using the municipality's broader vision to enhance the business processes.

The municipality to gain a competitive advantage in the use of Information Technology has to ensure that the following are implemented as short-term, medium-term or long-term projects:

Network Connectivity

This will be done in phases

1.1 Upgraded and constant network connectivity.

1.3 Development of the server room

Review the Financial Management Systems

2.1 Financial Management Systems that complies with the Municipal Finance Management Act (MFMA) and MSCOA.

Hardware and Software

3.1 Standardised licensed hardware and software for the municipality.

This was just to name few projects and that the municipality should ensure that these projects are implemented within the timeframes

9.8 RISK MANAGEMENT SERVICES

RISK MANAGEMENT

The role of Risk Management in the municipality is to co-ordinate and offer guidance with regard to the process of managing risks in the municipality and the following were taken into consideration.

- By ensuring that there is regular updating of risks on quarterly basis in the risks registers in pursuit of set objectives and improved risk maturity level
- By ensuring that there is embedding of risk management culture in the municipality by the risk owners and other role players
- Ensure that there is functional and effective Risk Management Committee in place to play an oversight role over risk management matters.

In terms of the Risk Management Strategy, risk management is not a stand-alone function, but is part of the strategic planning, business process and operational activities.

9.9 ANNUAL PERFORMANCE REPORT AS AT 30 JUNE 2018

TSWELOPELE
LOCAL MUNICIPALITY
A MUNICIPALITY IN PROGRESS

TSWELOPELE LOCAL MUNICIPALITY

ANNUAL PERFORMANCE REPORT (QUARTER 1 - 4)

TLM NON-FINANCIAL PERFORMANCE REPORT (Q1 JULY 2017 TO Q4 JUNE 2018)

REPORTING PERIOD: AS AT 30 JUNE 2018

1. INTRODUCTION

Performance management is a process which measures the implementation of actions identified to achieve the organisation's strategy. It assists management to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality. According to the Local Government Municipal Finance Management Act, Act 56 of 2003, Section 52 (c) thereof, the Mayor must take all reasonable steps to ensure that the municipality performs its Constitutional and statutory functions within the limits of the municipality's approved budget.

Performance management is prescribed by chapter 6 of the Municipal Systems Act 2000 and the Municipal Planning and Performance Regulation of August 2001. Section 7 of the aforementioned regulation states that "A municipality's performance management systems entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of different role players" This framework should reflect the linkage between the IDP, Budget and SDBIP.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration,
- to be transparent by providing information,
- to be responsive to the needs of the community, and
- to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), no. 32 of 2000, requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA), no. 56 of 2003, requires the Integrated Development Plan (IDP) to be aligned with the municipal budget and be monitored for the performance of the budget against the IDP by using the Service Delivery and the Budget Implementation Plan (SDBIP).

2. LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) of the MSA, a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3. TLM STRATEGIC PERFORMANCE

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported during the financial year to various role-players so as to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas and an overall summary of performance at a functional level. Details regarding specific basic service delivery targets, achievements and challenges will be included in this report as well as the detailed Annual Report of the municipality.

Tswelopele Local Municipality compiled its consolidated performance report (Q1 to Q4) in line with the above mentioned legislation. The purpose of the report is to outline the achievements of the municipality in the period under review. The report further seeks to outline challenges and remedial actions that have been implored as corrective measures thereto.

The purpose of this performance report is as follows:

- To analyze the performance of the municipality for the entire financial year
- To track progress against the targets set in the SDBIP.
- Inform decision making and future goal setting
- To identify problems regarding performance of municipal Programmes with a view to obtain solutions.
- To determine whether the objectives of various Programmes have been met and whether is it appropriate to review and amend them given the changing circumstances.

For the financial year under review, the Municipality (TLM) comprised of five departments, namely; Municipal Manager's Office, Finance, Corporate Services, Community Services and Technical Services. All Heads of Department positions have been filled and there were no vacancies.

This report covers the performance information from 1 July 2017 to 30 June 2018 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the Integrated Development Plan (IDP). In addition, the report provides an overview of improvements made to the performance management system and shortcomings that still need to be addressed and progress made in the implementation.

4. INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

At the commencement of the financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation, compliance and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. Tswelopele Local Municipality continued to maintain the effective operation of the following mechanisms:

- The Strategic Services Division conducts individual meetings with the nominated PMS Champions.
- PMS Champions then coordinates the collection of data and supporting evidence within their respective departments.
- All objectives and targets as contained in the performance plan and SDBIP are reported.
- Upon receipt of documentation, the Strategic Services Division analyses the submitted information and prepares a performance report.
- Draft performance report gets presented to the PMS Champion with the view of reaching consensus.
- Thereafter submitted evidence together with the draft performance report is then submitted to the Internal Audit Division for auditing, verification and quality assurance. Thus quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM). Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports; the unit also confirms the credibility of evidence that was submitted.
- Meetings take place between the Internal Audit and Strategic Services Division to deliberate intensively on the report.

5. PERFORMANCE MANAGEMENT SYSTEM FOLLOWED FOR THE FINANCIAL YEAR 2017/18

- Adoption of the Performance Management System Policy and Framework

Performance management is prescribed by chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations of August 2001. Section 7 (1) of the aforementioned regulation states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role

players." This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and service provider performance. The municipality adopted a performance management policy framework which was followed in managing performance throughout the financial year. The policy and framework will be reviewed annually and inputs will be solicited from various stakeholders.

- Municipal IDP and Budget

The IDP was revised and updated for 2017/18 as well as the budget, the documents were approved by Council in June 2018. The municipality started with the process of aligning the IDP with the performance management requirements and has improved the alignment of the IDP, Budget and the SDBIP for the 2017/18 financial year.

- The Service Delivery Budget Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP was prepared, as prescribed by legislation and approved by the Mayor in July 2017 and later revised during January 2018.

MUNICIPAL SCORECARD (TOP LAYER SDBIP)

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council and provides the overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.

Components of the Top Layer SDBIP included:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

Top layer SDBIP gets operationalized into directorate scorecards (performance plans) it captures the performance of each directorate. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the performance plan provides a comprehensive picture of the performance of that directorate.

6. ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

The organisational performance was monitored and evaluated within the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved by the Mayor and the information was loaded to municipal website.
- The actual results against monthly and quarterly targets set, were discussed in the monthly meetings (Dash-board and commitments) to determine early warning indicators and discuss corrective measures that were needed in cases of non-performance.
- The first and second quarterly report formed part of the section 72 report in terms of the Municipal Finance Management Act, which was submitted to the Mayor on 25 January 2018.
- The Quarterly SDBIP performance reports were also submitted to the Audit Committee.
- Internal Audit performed a statutory compliance review which included revision of the information contained in the budget, SDBIP, reviewed IDP and reported thereon. Continuous validation of reported performance has been maintained.

7. INDIVIDUAL PERFORMANCE MANAGEMENT

Municipal Manager and Managers Directly Accountable to the Municipal Manager

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). All Heads of Departments have signed the performance agreements and performance plans.

The appraisal of the actual performance in terms of the signed agreement did not take place twice per annum as regulated. A formal performance appraisal has been scheduled for September 2018 whereby the MM and Managers reporting directly to him will be assessed and evaluated.

Other Municipal Personnel

The municipality has not yet initiated a process of implementing individual performance management to lower level staff, however a phased in approach will be implemented as encompassed by the policy and framework. Performance agreements/scorecard will be developed and signed between the staff on other post levels and immediate managers/ supervisors. Progress in this regard will be reported on in future.

8. SERVICE DELIVERY KEY MUNICIPAL PERFORMANCE FOR 2017/18 AND MEASURES TAKEN TO IMPROVE OVERALL MUNICIPAL PERFORMANCE

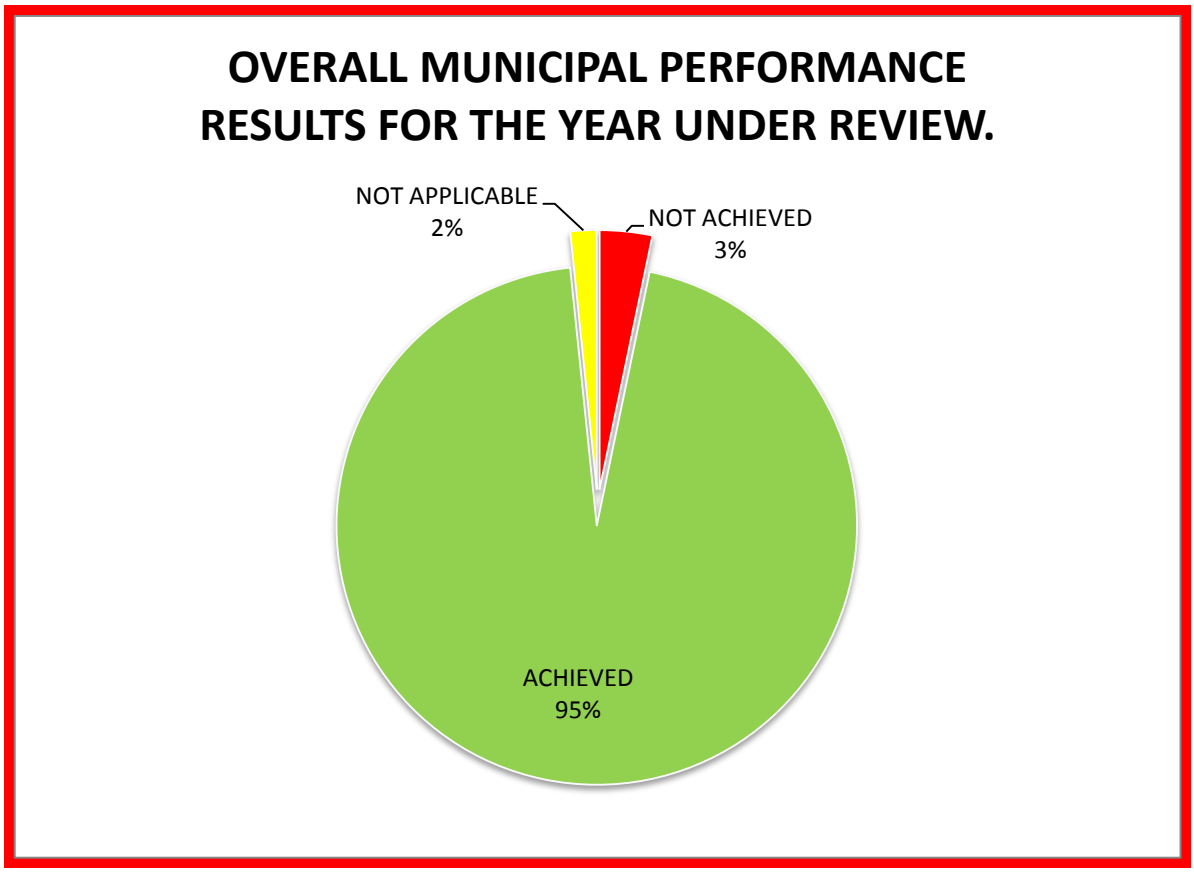
This section provides an overview on the strategic achievements of the municipality in terms of deliverables achieved. The Top Layer SDBIP and the municipality's strategic plan shows strategic alignment between the IDP, budget and the performance plans.

Strategic performance of the municipality was therefore measured in terms of the municipality's performance on its key performance indicators set in the Top Layer SDBIP. The sections below illustrates the performance achieved according to the 5 National Key Performance Areas (KPA) linked to the IDP objectives.

The overall assessment of actual performance against targets set for the key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology.

SYNOPSIS OF MUNICIPAL PERFORMANCE RESULTS AT A STRATEGIC LEVEL

Following graphs illustrate the overall performance of the municipality measured in terms of the Top Layer (strategic) SDBIP and performance plans. The performance is measured and reported per National KPA.



MUNICIPAL MANAGERS OFFICE

The Municipal Manager's Office had (**57**) targets set as per the key performance indicators; Attained (**47**), not achieved (**10**).

FINANCE

The Finance Department had (**36**) targets set as per the key performance indicators; Attained (**28**), not achieved **(8**).

CORPORATE SERVICES

The Corporate Services had (**30**) targets set as per the key performance indicators; Attained (**30**), not achieved (**0**).

TECHNICAL SERVICES

The Technical Services had (**43**) targets set as per the key performance indicators; Attained (**36**), not achieved (**7**).

PERFORMANCE DEFICIENCIES AND CORRECTIVE MEASURES

MM	FINANCE	CORPORATE	TECHNICAL
• One annual Performance Evaluation performed for the MM, CFO, Director Technical; Director Corporate Service by 15 December 2016; • 4 quarterly disaster advisory forum conducted; • 16 Awareness Campaigns conducted; • 8 LED Forum Meetings facilitated (2 per quarter); • 8 Business Forum Meetings facilitated (2 per quarter); • 4 Hawkers Association Meetings facilitated(2 per quarter); • 4 Agri-Forum Meetings facilitated(2 per quarter) • 2 Commonage Committee Meetings facilitated (Q2 & Q4); • Issuing of street trading permits; • LED Summit held	• 1 workshop conducted on Asset Management by 30 June 2018 • Monthly Schedule C reports prepared and submitted to the Municipal manager; • Monthly updated municipal assets additions list; • Percentage of resolutions (Council, Sec. 80, Management) implemented within the required time frames • 4388 registered indigent households provided with FBW(System generated report showing amount for indigent households beneficiaries of FBW) • 4388 registered indigent households provided with FBE (System generated report showing number of indigent households beneficiaries of FBE) • 4388 registered indigent households provided with FBS (System generated report showing number of	• None	• 6 Reports submitted to the National Waste Information system (July 17- June 18) • 95% of issues raised and proposed corrective measures attended to; • Percentage of resolutions (Council, Sec. 80, and Management) implemented within the required time frames. • Supply of clean, quality and sustainable water services to all formalised households, public facilities and businesses • Completion of phase 2 for the upgrading of bulk water supply in Bultfontein; • Weekly collection of domestic waste to all formalized residential areas, public facilities and businesses • Number of reviewed and approved EPWP Plan by Council

	indigent households beneficiaries of FBS) • 4388 registered indigent households provided with FBRR (System generated report showing number of indigent households beneficiaries of FBR)		

CONCLUSION

Thus, this report reflects the municipal performance as at 30 June 2018. This is a high level report based on the scores obtained through a process whereby Key Performance Indicators and targets are compared to the initial planning as contained in the 2017/18 SDBIP.

Where under-performance or zero achievement of indicators have been experienced the respective concerns or mitigating reasons are highlighted and detailed pertaining to the relevant measures being implemented or those that need to be implemented.

There has been an improvement in terms of achieving targets and this was closely observed during quarterly performance reporting. Emphasis on the submission of supporting evidence is encouraged at all times.

The municipality will continue improving on its performance management system, particularly, in the application of the SMART principle. Plans are underway to cascade PMS to all employees in order to promote accountability across all post levels.

DEPARTMENT: MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Review organisational Performance Management policy and framework	Council resolution approving PMS policy	1 PMS Policy & Framework reviewed and approved by council (June2018)	Operational budget	1 PMS Policy & Framework	The council resolution approving the performance management policy by 30 June has been approved.	None	Achieved	Achieved
	Quarterly management meetings held	Attendance registers of the management meeting	4 Quarterly Management Meetings	Operational budget	4 Quarterly meetings	The attendance registers for the 4 quarterly management meetings have been submitted.	None	Achieved	Achieved
	Percentage of External Service providers appointed within 60 days of the closing date of the tender	Adverts and appointment letters of the external service providers	100% of appointments for external Service Providers appointed within 60 days of the closing date of the tender	Operational budget	None	The appointment letters of the service providers have been submitted	None	Achieved	Achieved
	Sign and conclude Performance Agreements (PA) of the Municipal Manager, Chief Financial Officer, Director Technical; and Director Corporate Service	Signed PA of the Municipal Manager (MM) and CFO, Director Technical; and Director Corporate Service	4 signed PA by 28 July 2017 and sign revised PA by 9 March 2018	Operational budget	5 Signed performance agreements	The signed PA of the Municipal Manager, CFO and directors have been submitted.	None	Achieved	Achieved
	Quarterly Performance Evaluations for the MM; CFO; Director Technical; and Director Corporate Service for the 2016/17	Signed quarterly evaluations of the CFO; Director Technical; and Director Corporate Service	3 signed quarterly evaluations of the MM, CFO and all other Directors	Operational budget	3 quarterly performance evaluation reports	The singed quarterly evaluation of the CFO and Director Technical have been submitted.	None	Achieved	Achieved
	Annual Performance Evaluations for the MM; CFO; Director Technical; and Director Corporate Service for the 2016/17 based on audited performance report	Report on the Performance Evaluations for the MM, CFO, Director Technical; and Director Corporate Service	One annual Performance Evaluation performed for the MM, CFO, Director Technical; Director Corporate Service by 15 December 2016	Operational budget	One annual performance evaluation performed	The formal Annual Performance evaluation for the MM, CFO and DTS have not be carried out for in the financial year under review.	The target should be addressed in the 2018/ 2019 fiancial year.	Not Achieved	Not Achieved

DEPARTMENT: MUNICIPAL MANAGER OFFICE									
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
Promote effective and efficient sport and recreation development.	Rehabilitation and upgrade sporting facilities in Tikwana in terms of the approved capital budget. (Actual expenditure divided by the total approved budget) x 100}	% of budget spent on Tikwana sporting facility by 30 June (Actual expenditure divided by the total approved budget) x 100}	100% expenditure by 30 June 2018 (Actual expenditure divided by the total approved budget) x 100}	R 552 000,00	30% completion of the projects. (Actual expenditure divided by the total approved budget) x 100}	The department has submitted a completion certificate for the upgrading of Tikwana sporting facility.	The project was completed in the 2016/ 2017 financial year and the completion certificate was also issued out in the same financial year. Only the defects (retention) was paid in the 2017/ 2018 financial for the expenditure to be 100%	N/A	N/A
To ensure accessible road infrastructure and increased life span through proper construction and maintenance of roads and storm water drainages.	Rehabilitation and upgrading of roads and storm water in Phahameng in terms of the approved capital budget by 30 June 2018(Actual expenditure divided by the total approved budget) x 100}	% budget spent on the rehabilitation and upgrading of roads and storm water in Phahameng. (Actual expenditure divided by the total approved budget) x 100}	30% expenditure for the upgrading of the 2km road in Phahameng by 30 June 2018 (Actual expenditure divided by the total approved budget) x 100}	R 6 000 000,00	None	The report has been submitted indicating 49% completion of the rehabilitation of roadsn and storm water project in Phahameng	None	Achieved	Achieved
To promote and improve effective linkage between the stakeholders and the municipality to ensure accountability and responsive governance structures.	Number of MIG reports submitted to Cogta	Proof of submission of MIG reports to Cogta.	12 MIG reports prepared & submitted to cogta (3 per quarter)	Operational budget	12 Reports submitted	The monthly MIG reports submitted to Cogta have been submitted	None	Achieved	Achieved
	Number of EPWP reports submitted to Cogta	Proof of submission of EPWP reports to Cogta	12 EPWP reports prepared & submitted (3 per quarter) to Cogta	Operational budget	12 Reports submitted	The monthly EPWP reports submitted to Cogta have been provided	None	Achieved	Achieved

Expansion, modernisation, access and affordability of our Information and communications infrastructure ensured.	Installation of the Firewall on municipal network infrastructure by September 2017	IT infrustructure protected against the virus (screen shots and proof of installation)	Firewall instaled on municipal IT infrastracture	R 55 000,00	Firewall Installed	The proof of installation of the firewall and the screenshots have been submitted.	None	Achieved	Achieved
	Acronics Server installed on the municipal IT Infrastructure by April 2018	Acronics server installed on Municipal the Municipal IT infrustructure. (screen shots and proof of installation)	Acronics server installed on Municipal the Municipal IT infrustructure. (screen shots and proof of installation)	R 45 000,00	None	The proof of installation of the acronics server and the screenshots have been submitted.	None	Achieved	Achieved
To strengthen road traffic management (result indicator: accidents, deaths) and Improve public transport.	Number of road blocks to be conducted by 30 June 2018	Singed reports for the 8 road blocks conducted.	8 Road blocks conducted by 30 June 2018	R 9 000,00	8 Road blocks	The department has submitted the 8 reports for all the 8 roadblocks conducted in the financial year .	None	Achieved	Achieved
	Number of traffic report and reconciliation submitted to finance department	Signed traffic reports and reconciliations.	12 monthly reports and traffic reconciliation submitted to finance department		12 Monthly reports	The signed traffic reports and reconciliations have been submitted for the 12 months.	None	Achieved	Achieved
To support the district municipality in Improving disaster preparedness for extreme climate events.	Number of meetings conducted for Local Disaster Advisory Forum	Attendance register and minutes	4 quarterly disaster advisory forum conducted	R60 000.00	4 quarterly meetings	Only one report for the advisory forum held on the 13 September 2017 have been submitted	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved
	Number of disaster management awareness conducted by 30 June 2018	Attendance registers and signed reports for disaster management awareness conducted.	16 Awareness Campaigns conducted		16 Awareness campaigns	Only one report of the awareness campaign held on the 12 September 2017 have been submitted	The department did not manage to conduct all the awareness campaings due to financial constraints faced by the municipality. The indicator should be revised and included in the 2018/ 2019 financial year.	Not Achieved	Not Achieved

To ensure proper maintenance and safeguarding of municipal fleet	Perform condition assessment on fleet and community assets and submit a report to the CFO	Signed conditional assessment sheets	Conditional assessment performed on all vehicles and Community assets by 30 June 2018	R500 000.00	None	The copies of the conditional assessment for the community assets and fleet have been received.	None	Achieved	Achieved
To assess and review building plans	Number of updated building plan register	Completed building plan register	1 Updated register	Operational budget	1 Updated registers	A completed building plan register has been submitted for the financial year	None	Achieved	Achieved
To capacitate communities on building regulations through awareness campaigns	Number of building regulations awareness conducted by 30 June 2018.	Attendance registers and signed reports for building regulations awreness campaigns	4 building regulations Awareness campaigns conducted	Operational budget	7 Awareness campaigns	The reports and the attendance registers of the 4 building awareness campaigns have been submiteed.	None	Achieved	Achieved
Promote and support integrated, inclusive, sustainable human settlement development.	Monthly Updated & reviewed human settlement and erven waiting list to assist the provincial department of Human Settlement in allocating housing	Updated human settlement and erven waiting list.	12 monthly Updated human settlement and erven waiting lists.	Operational budget	12 Updated waiting list	The updated erven waiting list has been submitted for the financial year	None	Achieved	Achieved
	Review of the Human Settlement Sector Plan	Council resolution approving the human settlement sector plan	Reviewed and Approved Human Settlement Sector Plan by 30 June 2018	Operational budget	Approved Human Settlement sector plan	The council resolution approving the human settlement sector plan has been submitted	None	Achieved	Achieved
Accelerate and streamline township establishment processes and procedures to ensure sustainable settlement.	Awareness campaign pertaining change of ownership processes and land tenure	Attendance registers and signed reports for awareness campaign pertaining change of ownership processes and land tenure	Awareness campaign pertaining change of ownership processes and land tenure conducted by 30 June 2018	Operational budget	1 Awareness campaign conducted per ward	The signed report on 1 awareness campaign conducted per ward has been submitted.	None	Achieved	Achieved

DEPARTMENT: MUNICIPAL MANAGER OFFICE									
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT									
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2017/18	ANNUAL BUDGET ALLOCATION	COMPARISON WITH 2016/17 TARGETS	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Create an environment that promotes development of the local economy and facilitate job creation.	Number of LED Forum meetings facilitated at Bultfontein and Hoopstad	8 Led forum meeting held (attendance register and signed reports)	8 LED Forum Meetings facilitated (2 per quarter)	R 80 000,00	8 LED Forum Meetings facilitated (1 per quarter)	Only four forums were held in the 2017/ 2018 financial year	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved
	Number of Business Forum meetings facilitated at Bultfontein and Hoopstad.	8 Business forum meetings held (attendance register and signed reports)	8 Business Forum Meetings facilitated (2 per quarter)		8 Business Forum Meetings facilitated (1 per quarter)	Only four forums were held in the 2017/ 2018 financial year	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved
	Number of Hawkers Association meetings facilitated at Bultfontein and Hoopstad	4 Hawkers association meetings facilitated (attendance registers and signed reports)	4 Hawkers Association Meetings facilitated(2 per quarter)		8 Hawkers Association Meetings facilitated(1 per quarter)	Only two meetings were held in the 2017/ 2018 financila year	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved
	Number of Agri-Forum meetings facilitated at Bultfontein and Hoopstad	4 Agri-Forum meeting held (Attendance registers and signed reports)	4 Agri-Forum Meetings facilitated(2 per quarter)		8 Agri-Forum Meetings facilitated(1 per quarter)	Only one meetings were held in the 2017/ 2018 financila year	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved
	Number of Commonage Committee meetings facilitated at Bultfontein and Hoopstad	2 commonage committee meeting (attendance registers and signed reports)	2 Commonage Committee Meetings facilitated (Q2 & Q4)		3 Commonage Committee Meetings facilitated (Q2 & Q4)	The department has issued a letter indicating that the commonage committee meetings could not be facilitated due to dispute between the municipality and commonage users.	The department should review the target the the dispute be resolved accordingly	Not Achieved	Not Achieved

	Number of site visits conducted at Itshokolele Project	4 Site visits reports and attendance registers	4 Site visits of the project (1 per quarter)		4 Site visits of the project (1 per quarter)	The reports for the site visits at Itshokolele have been submitted	None	Achieved	Achieved
	Number of site visits conducted at Tswaraganang Cooperative Project	4 site visit reports.	4 Site visits of the project (1 per quarter)		4 Site visits of the project (1 per quarter)	The reports for the site visits at Tswaraganang cooperative have been submitted	None	Achieved	Achieved
	Donation of seeds for food garden projects	Number of community members donated seeds	80 community members		N/A	The payment vouchers for the for the seeds donated and a list of 40 beneficiaries have been submitted	None	Achieved	Achieved
	Issuing of street trading permits	Number of street trading permits issued	40 street trading permits		N/A	The department has submitted a report indicating that 8 street trading permits were issued for the financial year	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved
	Issuing of business licenses	Number of business licenses issued	20 business licenses		N/A	The department has submitted a report indicating that 40 business licenses have been issued.	None	Achieved	Achieved
	Number of LED Summit organised	1 LED Summit held (signed report and attendance registers)	LED Summit held		N/A	No information provided for this indicator	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved
	Percentage of the capital budget awarded to local service providers	The value of contracts awarded to local service providers divided total capital expenditure multiplied by 100 (appointment letters of sub-contractors)	30% of the 2017/18 capital budget awarded to local service providers	MIG and RBIG	30% allocated to local service providers	The signed report has been submitted for the 30% local subcontractor appointments for the 2 kilometer road in Phahameng	None	Achieved	Achieved

DEPARTMENT: MUNICIPAL MANAGER OFFICE									
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Maintain unqualified audit opinion on the financial statements	Unqualified audit opinion on the 2016/ 2017 Financial Statements	Obtain Unqualified audit opinion on the 2016/ 2017 Financial Statements	R 2 000 000,00	Unqualified audit opinion.	The signed Auditor General's report with unqualified audit opinion on fiancial statements has been submitted	None	Achieved	Achieved
	Percentage spent on FMG as per DORA conditions (June 2018) (Amount spent/ budgeted amount * 100)	Percentage on FMG as per DORA conditions (Amount spent/ budgeted amount * 100)	100% Spending on FMG as per DoRA conditions (June 2018) (Amount spent/ budgeted amount * 100)	R 1 900 000.00	100% of FMG spent	The signed report on the expenditure of conditional grants has been submitted indicating 100% expenditure of conditional grants.	None	Achieved	Achieved
	Compiled MFMA Section 72 Report & submission to National & provincial Treasury (Financial)	Proof of submission fo the section 72 report to National & provincial treasury	1 Compiled Mid-Year Section 72 Report (January 2018) submitted to National & provincial treasury	R3573343 (this amount is inclusive of the salaries allocated to the office of the municipal manager as the acounting office is responsible for risk management, internal audit and performance	Section 72 Report submitted to National & Provincial Treasury	The copy of the MFMA section 72 report submitted to NT and PT have been submitted.	None	Achieved	Achieved
	Approved Supplementary Valuation roll by 30 June 2018 for implementation in 2018/ 2019 financial year.	Certified valuation roll.	1 certified supplementary valuation roll by 31 March 2018	R 1 000 000,00	Approved valuation roll.	The summary of the certified valuation roll has been submitted by 31 March 2018	None	Achieved	Achieved
	Submitted adjustment budget inline with the approved Midyear budget and performance assessment report.	Council resolution approving the adjustment budget	1 Council approved adjustment budget (February 2018)	R7 870 271 (the amount is inclusive of all the officials salaries responsible for budget and treasury of the municipality	1 Approved adjustment budget	The minutes of the council meeting have been submitted indicating that the Adjustment budget was approved by 28 February 2018	None	Achieved	Achieved
	Compiled, consolidated & approved municipal budget.	Approved municipal budget	Final approved municipal budget (June 2018)		1 Approved budget	The minutes of the council meeting indicating that the consolidated municipal budget has been approved by 30 June 2018	None	Achieved	Achieved

DEPARTMENT: MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Annual calendar developed & approved by Council, EXCO, Sec 80 Comm, Audit Committee, Risk Committee and MPAC	Approved annual calendar	Developed & approved annual calendar of council meetings (October 2017)	R 3 150 000,00	Approved annual calendar of council meetings	The approved schedule of council meetings, EXCO, Sec 80 comm, Audit committee, risk committee and MPAC have been submitted	None	Achieved	Achieved
	Number of ordinary Council meeting coordinated and convened per annum	Council agendas and minutes of the ordinary council meetings	4 ordinary council meeting held per annum		4 ordinary council meetings	The minutes of the 4 ordinary council minutes have been submitted	None	Achieved	Achieved
	Number of service delivery and budget implementation plans approved by the Mayor	Approved 2017/ 2018 SDBIP	Approved SDBIP by the Mayor in July 2017	R3573343 (this amount is inclusive of the salaries allocated to the office of the municipal manager as the acounting office is responsible for risk management, internal audit and performance	Approved 2016/17 SDBIP	The copies of the approved service delivery and budget implementation plan have been submitted	None	Achieved	Achieved
	Table the Annual report of 2016/2017 for adoption by council.	Council resolution adopting the annual report	Tabled 2016/2017 Annual report by January 2018		Draft 2015/2016 Annual Report	The council resolution approving the annual report by January 2018 has been submitted	None	Achieved	Achieved
	Publish the draft Annual report for 21 days on the municipal website	Publication of the annual report	Publication of the draft Annual report by January 2018		1 publication of the draft Annual report	The copy of the annual report publication has been submitted by January 2018.	None	Achieved	Achieved

	Convene Oversight Committee to consider the Draft 2016/2017 Annual Report	Attendance register and the oversight committee report	Convene the oversight committee for the evaluation of the annual report by March 2018		1 Oversight Report	The copy of the approved oversight report for the 2016/ 2017 financial year has been submitted	None	Achieved	Achieved
	Approved Annual report for 2016/2017	Council resolution approving the oversight committee report and the annual report.	Table to council the oversight committee report for approval of the annual report by 30 March 2018		Approved 2016/2017 Annual report	The council resolution approving the oversight report for approval of the annual report has been submitted.	None	Achieved	Achieved
	Review of the integrated development plan in consultation with the relevant stakeholders.	1 Approved IDP reviewed annually	Reviewed and approved integrated development plan in consultation with the relevant stakeholders by 30 June 2018		Approved 2016/17 IDP	The council resolution approving the revised IDP has been submitted.	None	Achieved	Achieved
	Review the 3 year internal audit plan based on the risk assessment and submit to the audit committee for approval by 30 June 2018	Minutes of the audit committee approving the 3 year risk plan	3 year risk based plan approved by 30 June 2018	R60 000.00	Approved 3 year risk based plan	The minutes of the audit committee approving the 3 year risk based plan have been submitted	None	Achieved	Achieved
	Report to the municipal manager and audit committee on the implementation of the annual internal audit plan and internal audit activities .	Quarterly reports on the implementation of the annual internal audit plan	4 quarterly reports submitted to the MM and the Audit committee	R3573343 (this amount is inclusive of the salaries allocated to the office of the municipal manager as the acounting office is responsible for risk management, internal audit and performance	4 quarterly reports	4 quarterly report on the implementation of the annual internal audit plan have been submitted	None	Achieved	Achieved
	Number of Municipal Public Account Committee meetings conducted	Attendance register and minutes of the meetings	Convene 4 Municipal Public Accounts Committee meetings		4 Meetings	The attendance registers of the 4 Municipal public accounts committee meetings have been submitted	None	Achieved	Achieved

	Number of audit committee meetings held	Attendance registers and the minutes of the meeting	4 audit committee Meetings (1 per quarter)	R60 000.00	5 Meetings	The attendance register for the 5 audit committee meetings have been submitted	None	Achieved	Achieved
	Submit quarterly risk management reports to the audit committee & risk management committee on the implementation of measures in the action plans.	Copy of minutes where the reports were discussed.	4 quarterly reports submitted to the audit committe & risk management committed on the implementation of measures in the action plan	R3573343 (this amount is inclusive of the salaries allocated to the office of the municipal manager as the acounting office is responsible for risk management, internal audit and performance	None	The minutes of the 4 risk management committee meetings where the risk management reports were discussed have been submitted.	None	Achieved	Achieved
	Updated municipal risk management register	Monthly updated risk register	12 Monthly updated risk management registers		12 Updates of the risk register	The 12 updated monthly risk registers have been submitted	None	Achieved	Achieved
	Number of consolidated ward committee reports submitted	Quarterly consolidated reports	4 quarterly consolidated ward committee reports.	R480 000.00	R480 000.00	The quarterly consolodated ward commiittee reports have been submitted	None	Achieved	Achieved
	Number of LLF Meetings conducted	Attendance register and minutes of the LLF meetings	4 LLF Meetings per annum(1 per quarter)	Operational budget	4 Meetings held	The Minutes of the LLF meetings for the financial year have been submitted	None	Achieved	Achieved

DEPARTMENT: FINANCE						ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Number of departmental meetings held	Attendance registers and minutes of the meetings	Quarterly departmental meetings	R7 870 271 (the amount is inclusive of all the officials salaries responsible for budget and treasury of the municipality	4 Meetings	The attendance registers of the quarterly departmental meetings have been submitted	None	Achieved	Achieved
	Submit monthly report to management on the actual performance against the SDBIP	Monthly report submitted to management	12 Monthly performance report submitted to management against the SDBIP		12 monthly reports	The department has submitted the attendance register/ minutes of the management meeting where the monthly performance reports were tabled.	None	Achieved	Achieved
	Workshop provided to departments on Asset Management	Attendance registers of officials who attended the workshop	1 workshop conducted on Asset Management by 30 June 2018		None	The department did not submit any information partaining to the workshop on asset management	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved

DEPARTMENT: FINANCE KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY						ACTUAL PERFORMANCE REPORTING			
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2017/18	ANNUAL BUDGET ALLOCATION	COMPARISON WITH 2016/17 TARGETS	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Maintain and upgrade basic infrastructure at local level	Appropriate funds for repairs and maintenance of infrastructure assets in the 2018/ 2019 Medium term revenue and expenditure framework.	Approved budget for repairs and maintenance	R5 000 000 allocated for repairs and maintenance for 2018/ 2019 Financial year in the Medium term revenue and expenditure framework for infrastructure assets.	R 8 085 000,00	R6 000 000 allocated for repairs and maintenance for 2017/ 2018 Financial year in the Medium term revenue and expenditure framework for infrastructure assets.	The department has allocated and amount of R8 085 000 for repairs and maintenance for the 2018/ 2019 financial year in the Medium term revenue and expenditure framework for infrastructure assets	None	Achieved	Achieved
To ensure free access to clean, quality and sustainable water services to households	Provide registered indigent households with free basic water	4388 registered indigent households provided with FBW(System generated report showing amount for indigent households beneficiaries of FBW)	4388 registered indigents households to be provided with free access to water	R 3 958 000,00	5044 registered households to be provided with free access to water.	The department has submitted The system generated reports indicating that 4316 registered indigent households have be provided with free basic water.	None	Not Achieved	Not Achieved
To ensure provision of free sustainable electricity services to indigent household.	Provide registered indigent households with free basic electricity	4388 registerd indigent households provided with FBE (System generated report showing number of indigent households beneficiaries of FBE)	4388 registered indigents households to be provided with free access to electricity	R 5 131 000,00	5044 registered households to be provided with free access to Electricity.	The dedepartment has submitted a system genereated reports inidication that the 3916 indigent households have been provided with free basis electricity	None	Not Achieved	Not Achieved
To ensure free access to safe and sustainable sanitation services to indigent households.	Provide registered households with free basic sanitation services	4388 registerd indigent households provided with FBS (System generated report showing number of indigent households beneficiaries of FBS)	4388 registered indigents households to be provided with free access to sanitation services	R 3 564 000,00	5044 registered households to be provided with free access to sanitation.	The department has submitted The system generated reports indicating that 3316 registered indigent households have be provided with free basic sanitation.	None	Not Achieved	Not Achieved
To ensure free access to regular and sustainable refuse removal services to indigent household	Provide registered households with free basic refuse removal services	4388 registerd indigent households provided with FBRR (System generated report showing number of indigent households beneficiaries of FBR)	4388 registered indigents households to be provided with free access to refuse removal services	R 2 477 000,00	5044 registered households to be provided with free access to refuse removal.	The department has submitted The system generated reports indicating that 4316 registered indigent households have be provided with free basic refuse removal.	None	Not Achieved	Not Achieved

DEPARTMENT: FINANCE						ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
Create an environment that promotes development of the local economy and facilitate job creation.	Percentage of the capital budget awarded to local service providers	The value of contracts awarded to local service providers divided total capital expenditure multiplied by 100 (appointment letters of sub-contractors)	30% of the 2017/18 capital budget awarded to local service providers	MIG and RBIG	30% allocated to local service providers	The signed report has been submitted for the 30% local subcontractor appointments for the 2 kilometer road in Phahameng	None	Achieved	Achieved
	Appropriate funds for local economic development in the 2018/ 2019 Medium term revenue and expenditure framework.	Approved budget for repairs and maintenance	R80 000 allocated for local economic development for 2018/ 2019 Financial year in the Medium term revenue and expenditure framework	R 80 000,00	R50 000 allocated for local economic development for 2017/ 2018 Financial year in the Medium term revenue and expenditure framework	The department has allocated an amout of R50 000 for local economic development for 2017/ 2018 financial year in the medium term revenue and expenditure	None	Achieved	Achieved

DEPARTMENT: FINANCE						ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management.	Number of budget related policies approved by Council	Council resolution approving the budget and the budget related policies.	10 Budget related policies (Virement, SCM, Debt collection, Rates, Indigent, tariffs, funds & reserve, investment, banking and writing off bad debts policy) submitted to the Municipal Manager by June 2018	R7 870 271 (the amount is inclusive of all the officials salaries responsible for budget and treasury of the municipality	10 Policies approved with the budget	The minutes of the council meeting for 28 June 2018 have been submitted indicating 15 budget related policies have been submitted.	None	Achieved	Achieved
	Approved schedule of budget timelines & IDP Review Process Plan	Council resolution approving the budget time lines	Approved budget schedule times & IDP process plan (August 2017) - for 2018/2019 Budget		Schedule prepared with the Process Plan - Approved August 2016	The minutes of the council meeting have been submitted indicating the IDP and budget time lines been approved by Audgust 2017	None	Achieved	Achieved
	Compiled and consolidated municipal budget.	Approved municipal budget (council resolution)	Compiled and consolidated municipal budget by 30 June 2016		Approved budget	The minutes of the council meeting indicating that the consolidated municipal budget has been approved by 30 June 2018	None	Achieved	Achieved
	Compiled and consolidated municipal Adjustment budget.	Approved municipal adjustment budget (council resolution)	Compiled and consolidated municipal Adjustment budget 28 February 2018		Approved budget	The minutes of the council meeting have been submitted indicating that the Adjustment budget was approved by 28 February 2018	None	Achieved	Achieved
	Developed and updated indigent register	Updated indigent register	Updated indigent register (June 2018 - for Implementation in 2018/ 2019		1 Updated register	The updated indigent register has been submitted	None	Achieved	Achieved

	Compilation of the municipal supplimentary valuation roll for 2018/ 2019 financial year	Certified municipal supplimentary valuation roll.	1 certified supplementary valuation roll by 31 March 2018	R 1 000 000,00	Certified municipal valuation roll.	The summary of the certified valuation roll has been submitted by 31 March 2018	None	Achieved	Achieved
	Issuing of monthly consumer accounts to all registered consumers of municipal services	Singed monthly billing reports	All registerd consumers issued with monthly consumer accounts for municipal services	R7 870 271 (the amount is inclusive of all the officials salaries responsible for budget and treasury of the municipality	All registered consumers were billed	The 12 monthly singed billing reports have been submitted for all registed consumers issued with monthly consumer accounts for municipal services	None	Achieved	Achieved
	Submission of D-Forms to NERSA (October 2017)	Proof of submission of the D-forms to NERSA	D_forms submitted to NERSA by October 2017		Submitted D-Forms	The proof of submission of the D forms to NERSA has been submitted.	None	Achieved	Achieved
	Submission of the Financial Management Grant activity plan to National Treasury	Compiled financial management grant activity plan submitted to NT (proof of submission to NT)	Financial management grant activity plan submitted to NT by 30 march 2018		the FMG activity plan submitted to NT by 30 March 2017	The signed financial management grant activity plan has been submitted to National Treasury.	None	Achieved	Achieved
	Monthly updating of the conditional grants registers	Updated conditional grants registers.	12 monthly updated conditional grants registers		Register updated monthly	The 12 monthly updated conditional grants registers have been submitted	None	Achieved	Achieved
	Submission of MFMA section 71 reports electronically to stakeholders (Mayor, Provincial and National Treasury)	Proof of submission of the MFMA section 71 reports to the stakeholders	Monthly MFMA section 71 reports submitted electronically to stakeholders (Mayor, Provincial and National Treasury)		Reports submitted monthly	The 12 monthly section 71 reports submitted submitted to the Mayor, Provincila and National Treasury have been submitted.	None	Achieved	Achieved

	Compilation of the municipal Annual financial statement for 2016/ 2017 financial year	Signed municipal Annual financial statement for 2016/ 2017 year	Compiled municipal Annual financial statements and singed by the CFO by 30 August 2018	R 500 000,00	Compiled and signed annual financial statements	The signed municipal annual financial statements for 2016/ 2017 financial year have been submitted by 30 August 2018	None	Achieved	Achieved
	Compilation of MFMA Section 72 Report & submission to National & provincial Treasury (Financial)	Copy of MFMA section 72 report (proof of submission to NT)	Compiled section 72 report and submitted to NT and PT	R7 870 271 (the amount is inclusive of all the officials salaries responsible for budget and treasury of the municipality	Section 72 Report submitted to NT and PT	The copy of the MFMA section 72 report submitted to NT and PT have been submitted.	None	Achieved	Achieved
	Compilation and submission for the schedule C reports submitted to the MM	Copy of completed schedule C reports	Monthly Schedule C reports prepared and submitted to the Municipal manager		Schedule C reports submitted	Only February schedule C reports have been prepared and submitted	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved
	Updating of Municipal Asset additions list on the monthly basis.	Monthly updated municipal asset additions list.	Monthly updaetd municipal assets additions list		12 Updates conducted	The department did not submit any monthly udpated municipal asset additions list.	The department should provide reasons for Non achievement of the tartget and actions to improve performance	Not Achieved	Not Achieved
	Attend to corrective measures as identified in internal and external audit reports and reduce risk areas within three months of receipt of reports.	Percentage of issues raised and proposed corrective measures attended to. (progress against the actions plans)	95% of issues raised and proposed corrective measures attended to		90% of issues attended to.	The updated report on the implementation of the audit recovery with 95% achievement of issues raised has been submitted	None	Achieved	Achieved
	Percentage spent on FMG spend at year end	Signed reports on the expenditure of conditional grants	100% Spending on FMG as per DoRA conditions (June 2018)		100% of FMG spent	The signed report on the expenditure of conditional grants has been submitted indicating 100% expenditure of conditional grants.	None	Achieved	Achieved

	Percentage of creditors paid within 30 days of the receipt of the invoices	Signed report on the payment of creditors with 30 days	55% of all creditors paid within 30 days (Monthly)		88% of creditors paid	No reports submitted for the financial year on the payment of creditors within 30 days	None	Achieved	Achieved
	Submission of VAT returns to SARS	Proof of submission/	Monthly VAT returns submitted to SARS		12 Returns submitted to SARS	The signed Monthly VAT returns submitted to SARS have been provided	None	Achieved	Achieved
	Submission of EMP 201 forms to SARS	Proof of submission	Monthly EMP 201 forms submitted to SARS		12 Returns submitted to SARS	The EMP 201 forms submitted to SARS have been submitted	None	Achieved	Achieved
	Compilation of Supply Chain Management implementation reports and submission to the MM	Signed copies of the SCM implementation reports.	4 SCM Implementation reports submitted to the Municipal Manager (Quarter 4, 1, 2 and 3)		4 SCM implementaion reports submitted to MM	The 4 quarterly SCM implementation reports submitted to the Municipal Manager have been provided	None	Achieved	Achieved

DEPARTMENT: FINANCE						ACTUAL PERFORMANCE REPORTING			
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2017/18	ANNUAL BUDGET ALLOCATION	COMPARISON WITH 2016/17 TARGETS	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Number of meeting for public consultation on the 2018/ 2019 annual Budget by 30 June 2018	Attendance register for the public consultations.	4 Meetings for public consultation on the 2018/ 2019 annual Budget by 30 June 2018	R150 000.00	All wards were consulted	The attendance registers fo the public consultations on the 2018/ 2019 annual budget have been submitted.	None	Achieved	Achieved
	Percentage of resolutions (Council, Sec. 80, Management) implemented within the required time frames	Percentage of resolution implemented within the required time frame	100% of the resolutions implemented on time	R7 870 271 (the amount is inclusive of all the officials salaries responsible for budget and treasury of the municipality	None	No information provided for this indicator	The department should submit a report on the implementation of the council resolutions	Not Achieved	Not Achieved
	Implementation of a compliance checklist pertaining to key legislation requirements for the department	Number of prpgress reports on the implementaion of a compliance checklist.	4 quarterly reports on the implementation of the compliance checklist.	R3573343 (this amount is inclusive of the salaries allocated to the office of the municipal manager as the acounting office is responsible for risk management, internal audit and performance	None	The updated quarterly compliance checklist have been submitted.	None	Achieved	Achieved
	Number of risk assessment and action plan reviews/ updates	Reports on the implementation of the risk management action	12 monthly risk assessment and action plan reviews/ updates		Monthly risk Assessments	The 12 monthly updated risk assessment and action plan reviews/ updates have been submitted	None	Achieved	Achieved

DEPARTMENT: TECHNICAL SERVICES									
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Number of departmental/divisional meetings are held	Attendance registers and minutes of the meetings	4 Quarterly departmental meetings	Operational budget	Meetings held	The attendance registers for the departmental meetings for the 4 quarters have been submitted.	None	Achieved	Achieved
	Submit monthly report to management on the actual performance against the SDBIP	Monthly report submitted to management	12 Monthly performance report	Operational budget	12 monthly reports	The attendance registers and the minutes of the monthly management meetings where the monthly performance reports have been tabled are submitted	None	Achieved	Achieved
	Number of community officials provided with skills development training / capacity development as directed/ identified by the Director Community Services	Quarterly reports on the implementation of the works skills plan	All identified community services officials attends as per the Workplace Skills Plan (Quarterly) as directed by the Director Community Services	R200 000.00	None	The department has submitted a report indicating in the financialy year under review no official has been trained due to non approval of training funds from LGSETA.	The target need to be reviewed and included in the planning for the following financial year.	N/A	N/A

DEPARTMENT: TECHNICAL SERVICES									
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
To ensure access to clean, quality and sustainable water services to households, public facilities and businesses.	Limit water network losses to less than 25% by 30 June 2018 (Difference between water supplied and water billed) (number of kilolitres water purchased/ purified - number of kilolitres water sold) / number of kilolitres water purchased/ purified x 100} in both towns.	Water losses reduced to 15% and below.	Water losses limited to 25%	Operational budget	25% water losses.	The reports indicating an average water losses of 7.54% as at 30 June 2017 have been submitted	None	Achieved	Achieved
	Supply of clean, quality and sustainable water services to all formalised households, public facilities and businesses	% of all formalised households, public facilities and businesses with access to clean, quality and sustainable water services.	100% of formalised households, public facilities and businesses supplied with clean, quality and sustainable water services	R 21 754 000	12523 households	The billing reports indicating that 9815 connections of water to households with access to water have been submitted with the public facilities and business.	None	Not Achieved	Not Achieved
	Completion of phase 2 for the upgrading of bulk water supply in Bultfontein	% budget spent on the completion of phase 2 of the upgrading of bulk water supply in Bultfontein. (Actual expenditure divided by the total approved budget) x 100}	100 % completion of phase 02 by 30 June 2018	R25 020 000.00	30 % completion of phase 02 by 30 June 2017	The final completion certificate of the upgrading of the bulk water supply in Bultfrontein has been submitted indicating 100% (97% and 3%) completion of the project.	The 3% for retention was only paid in 2018/ 2019 financial year and which makes the project to be only finalised after financial year end.	Not Achieved	Not Achieved
Promote effective and efficient sport and recreation development.	Rehabilitation and upgrade sporting facilities in Tikwana in terms of the approved capital budget. (Actual expenditure divided by the total approved budget) x 100}	% of budget spent on Tikwana sporting facility by 30 June (Actual expenditure divided by the total approved budget) x 100}	100% expenditure by 30 June 2018 (Actual expenditure divided by the total approved budget) x 100}	R 552 000,00	30% completion of the projects. (Actual expenditure divided by the total approved budget) x 100}	The department has submitted a completion certificate for the upgrading of Tikwana sporting facility.	The project was completed in the 2016/ 2017 financial year and the completion certificate was also issued out in the same financial year. Only the defects (retention) was paid in the 2017/ 2018 financial for the expenditure to be 100%	N/A	N/A

To ensure access to safe and sustainable sanitation services to households, public facilities and households.	Provision of safe and sustainable sanitation to all formalised households, public facilities and households	% of all formalised households, public facilities and businesses with access to safe and sustainable sanitation services. (number of households with access/ number of total formalised households) x 100	90% of all formalised households, 100% of public facilities and businesses with access to safe and sustainable sanitation services	R25 020 000.00	12 585 households	The report has been submitted indicating that more than 90% of the formalised households, public facilities and businesses have got access to sanitation services.	None	Achieved	Achieved
To ensure accessible road infrastructure and increased life span through proper construction and maintenance of roads and storm water drainages.	Rehabilitation and upgrading of roads and storm water in Phahameng in terms of the approved capital budget by 30 June 2017(Actual expenditure divided by the total approved budget) x 100}	% budget spent on the rehabilitation and upgrading of roads and storm water in Phahameng.	30% expenditure for the upgrading of the 2km road in Phahameng by 30 June 2018	R 6 631 000,00	None	The report has been submitted indicating 49 % completion of the rehabilitation of roads and storm water project in Phahameng	None	Achieved	Achieved
To ensure provision of sustainable electricity services to all household, public facilities and businesses.	Provision of sustainable electricity services to all formalised households, public facilities and businesses in bultfontein and Hoopstad towns	% of all formalised households, public facilities and businesses in Bultfontein and Hoopstad Towns with access to electricity services (number of households with access/ number of total formalised households) x 100	100% of all formalised households, public facilities and businesses in Bultfontein and Hoopstad Towns with access to electricity services (number of households with access/ number of total formalised households) x 100	R 342 410 000	None	The billing reports have been submitted indicating that 1611 connections to households, public facilities and businesses with acces to electricity in Bultfontein town and Hoopstad Town. Electricity supply to Tikwana and Phahameng is done by ESKOM.	None	Achieved	Achieved
	Limit electricity losses to less than 15% by 30 June 2018 (number of lectricicity units purchased - number of electricity units sold)/ number of electricty units purchased) x 100	Electricty losses by 30 June 2018 (number of lectricicity units purchased - number of electricity units sold)/ number of electricty units purchased) x 100	Limit electricity losses to less than 15% by 30 June 2018 (number of lectricicity units purchased - number of electricity units sold)/ number of electricty units purchased) x 100	Operational budget	None	The department has submiited a report indicating an average electricity losses on 15% for the financial year under review.	None	Achieved	Achieved

To ensure the provision of facilities that are adequate to treat, recover & dispose waste in a manner consistent with applicable regulations	Number of reports sent to the National Waste Information System for Hoopstad landfill regarding quantities of waste handled at the site	Proof of submission of the reports to National Waste Information System.	6 Reports submitted to the National Waste Information system (July 17- June 18)	R4 200 000 (this is iclusive of all cost related to refuse removal and administration thereof)	None	The department has submitted a report indicating that the capturing of data of the purpose of reporting to the National waste information system cannot be undertaken due to unavailability of working space for the landfill attendant.	The department should review the indicator and be included in the following years planning	Not Achieved	Not Achieved
	Number of reports sent to the National Waste Information System for Bultfontein landfill regarding quantities of waste handled at the site	Proof of submission of the reports to National Waste Information System.	12 Reports submitted to the National Waste Information system (July 17- June18)		12 reports	The 12 reports submitted to the National waste information system for Bultfontein landfill site have been submitted.	None	Achieved	Achieved
	Reviewed Integrated Waste Management Plan	Council approved integrated waste management plan	1 Annual Review of Integrated Waste Management Plan (May 18)		None	The minutes of the special council meeting where the Integrated waste management plan was tabled for approval by council have been submitted	None	Achieved	Achieved
To ensure the sustainable use of natural resource within municipal area while promoting social and economic development	Reviewed Integrated Environmental Management Plan	Reviewed environmental management plan	1 Annual Review of Integrated Environmental Management Plan (May 18)		None	The minutes of the special council meeting where the Integrated environmental management plan was tabled for approval by council have been submitted	None	Achieved	Achieved

	Cleaning and maintenance of municipal recreational parks	Clean and maintained municipal recreational parks (signed reports and pictures for the cleaned recreational parks)	Clean 5 recreational parks (quarterly) in both towns	R260 000.00	2 parks	The reports indicating that 5 recreational parks in both towns have been submitted	None	Achieved	Achieved
	Biannual Cleaning and maintenance of municipal cemeteries	Clean and maintained municipal cemeteries (signed reports and pictures for the cleaned municipal cemetreries)	4 Cleaned and maintened municipal cemeteries in both towns		4 cemeteries	The reports indicating that 4 municipal cemetries in both town are been cleaned and maintained have been submitted	None	Achieved	Achieved
	Cleaning and maintenance of municipal Open Spaces	Clean and maintained municipal open spaces (signed reports and pictures for the cleaned municipal open spaces)	10 cleaned and maintained municipal Open Spaces	R20 500.00	5 open spaces	The report indicating that 10 municipal open spaces are been cleaned and maintained have been submiitted	None	Achieved	Achieved
To ensure access to regular and sustainable refuse removal services to all household, public facilities and businesses	Clean and maintained municipal Stadiums	Cleaned and maintained municipal stadiums (signed reports and pictures for the cleaned municipal Stadiums)	4 municipal stadiums cleaned and maintained per quarter.	R260 000.00	4 stadiums	The report indicating that 4 municipal stadiums are been cleaned and maintained have been submiitted	None	Achieved	Achieved
	Weekly collection of domestic waste to all formalized residential areas, public facilities and businesses	% of all formalised households, public facilities and businesses with access to waste collection services (number of households with access/ number of total formalised households) x 100	100% of all formalised households, public facilities and businesses with access to waste collection services (number of households with access/ number of total formalised households) x 100	R 4 200 000,00	12 585 Households	The billing reports indicating that 9672 households, public facilities and businesses with access to waste collection services have been submitted.	Further scrutiny of the supporting evidance submitted indicate that the only 39 out of 52 weeks refuse collections were conducted Hoopstad and 41 out of 52 collections in Bultfontein. The department should ensure that the weekly collection reports are filled accordingly for audit trail.	Not Achieved	Not Achieved
	Number of environmental management awareness campaigns & activities conducted (Quarterly)	Attendance registers and signed reports.	4 reports awareness campaigns conducted (2 in 2nd quarter and 3rd quarter)	R0.00	4 campaigns	The 4 reports for the awareness campaigns conducted have been submitted.	None	Achieved	Achieved

To ensure access to regular and sustainable refuse removal services to all household, public facilities and businesses	Cleaning of CBD streets in Bultfontein and Hoopstad	Cleaned CBD streets (signed reports indicating the names of streets/ areas cleaned.	Cleaned CBD streets in Bulfontein and Hoopstad	R4 200 000 (this is iclusive of all cost related to refuse removal and administration thereof)	N/A	The reports on the cleaning of streets in municipal CBD have been submitted	None	Achieved	Achieved
To promote effective EPWP with the aim of improved Job creation	Number of reviewed and approved EPWP Plan by Council	Council resolution approving the EPWP plan	1 Reviewed and approved Plan by 31 March 2018	R1 000 000.00	Approved EPWP Plan	THe EPWP plan approved by the municipal manager has been submitted.	The plan was supoosed to be submitted to the council and the matter will be corrected going forward.	Not Achieved	Not Achieved

DEPARTMENT: TECHNICAL SERVICES									
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
Create an environment that promotes development of the local economy and facilitate job creation.	Percentage of the capital budget awarded to local service providers	The value of contracts awarded to local service providers divided total capital expenditure multiplied by 100 (appointment letters of sub-contractors)	30% of the 2017/18 capital budget awarded to local service providers	Operational budget	30% allocated to local service providers	The signed report has been submitted for the 30% local subcontractor appointments for the 2 kilometer road in Phahameng	None	Achieved	Achieved
	Percentage of unskilled labour in all the capital projects of the Municipality are from the local municipality area	100% local unskilled labour appoinments is local based.	100% of unskilled labour on all the capital projects from the local municipal area	R 1 000 000,00	100% of unskilled labour (ongoing)	The reports for the unskilled labour appointed on capital projects have been submitted	None	Achieved	Achieved
	Create Full Time Equivalent (FTE) through government expenditure with EPWP grant by 30 June 2018	Signed appointment letters and statistics submitted to Province/National	48 Full Time Equivalent created by 30 June 2018	R 1 000 000,00	None	The reports for the full time equivalents and the stastistics thereof have been submitted	None	Achieved	Achieved

DEPARTMENT: TECHNICAL SERVICES									
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT									
OBJECTIVE	**KEY PERFORMANCE INDICATOR (KPI)**	**UNIT OF MEASUREMENT**	**ANNUAL TARGETS 2017/18**	**ANNUAL BUDGET ALLOCATION**	**COMPARISON WITH 2016/17 TARGETS**	**ACTUAL PERFORMANCE**	**CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE**	**INTERNAL AUDITORS COMMENTS**	**ACHIEVEMENT STATUS**
To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management.	Ensure timely preparation of the Directorate's budget for 2018/19 based on the approved IDP	Departmental budget submitted to finance department.	Departmental budget approved as part of the annual budget.	R7 870 271 (the amount is inclusive of all the officials salaries responsible for budget and treasury of the municipality	Budget inputs submitted to Finance	The minutes of the council meeting approving the budget that incorporates Technical department has been received.	None	Achieved	Achieved
	Ensure timely preparation of the Directorate's adjustment budget for 2018/19 financial year based on the approved midyear budget and performance assessment.	Departmental adjustment budget submitted to finance department.	Department adjustment budget approved as part of the municipal adjustment budget by February 2018.		Budget inputs submitted to Finance	The minutes of the council meeting approving the budget that incorporates Technical department has been received.	None	Achieved	Achieved
	Submission of D-Forms to NERSA (October 2017)	Proof of submission of the D-forms to NERSA	D_forms submitted to NERSA by October 2017		Submitted D-Forms	The cpies of the D forms have been submitted to NERSA	None	Achieved	Achieved
	Number of assets counts perform on a municipal assets and submitted to CFO	Signed Assets count sheets	6 counts performed on municipal assets and submission to CFO		None	The copies of the assets counts peformed have been submitted	The counts needs to be verified and singed by the reviewer thereof.	Achieved	Achieved
	Perform condition assessment on fleet and infrastructure assets and submit a report to the CFO	Signed condition assessment sheets	Condition assessment performed on all vehicles and infrastructure assets by 30 June 2018		None	The conditional assessment sheet submitted is only for the fleet allocated to Technical department	None	Achieved	Achieved
	Number of inventory count conducted (Game, diesel, water, stores)	Singed copies of inventory counts sheets.	12 Inventory counts (Game, diesel, water, stores) (3 per quarter)		12 Counts conducted	The 12 monthly inventory counts have been submitted and singed accordingly	None	Achieved	Achieved

	Attend to corrective as identified in internal and external audit reports and reduce risk areas within three months of receipt of reports.	Percentage of issues raised and proposed corrective measures attended to.	95% of issues raised and proposed corrective measures attended to		90% of issues attended to.	No information submiited for this indicator	The department should submit a updated internal and external audit recovery plan and actions taken.	Not Achieved	Not Achieved
	Number of EPWP reports submitted to Cogta	Proof of submission of EPWP reports to Cogta	12 EPWP reports prepared & submitted (3 per quarter) to Cogta		12 Reports submitted	The monthly EPWP reports submitted to Cogta have been provided	None	Achieved	Achieved
	Number of MIG reports submitted to CoGTA	Proof of submission of MIG reports to Cogta	12 MIG reports prepared & submitted (3 per quarter)		12 Reports submitted	The monthly MIG reports submitted to Cogta have been submitted	None	Achieved	Achieved
	Report spending to National Treasury on infrastructure grant	Proof of submission of MIG reports to National Treasury	12 MIG reports submitted to National Treasury		12 reports submitted	The monthly MG reports submitted to National Treasury have been submitted	None	Achieved	Achieved
	Number of reconciliations submitted on RBIG, ACIP, EPWP, EEDSM, INEP, MIG infrastructure grants to the CFO	Proof of submission of the reconciliations to the CFO	12 Reports/ reconciliations submitted on infrastructure grants to the CFO		72 reports/ reconciliation submitted on infrastructure grants	The reconciliations for different infrastructure grants have been submitted.	None	Achieved	Achieved

DEPARTMENT: TECHNICAL SERVICES									
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2017/18	ANNUAL BUDGET ALLOCATION	COMPARISON WITH 2016/17 TARGETS	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Number of meeting on public consultation on the 2017/ 2018 annual budget and tariffs	Attendance register for the public consultations.	4 Meetings for public consultation on the 2018/ 2019 annual Budget and tariffs by 30 June 2018	R150 000.00	None	The attendance registers for the public consultations meetings for 2018/ 2019 annual budget and tarrifs have been submitted	None	Achieved	Achieved
	Number of reports published on the implementation of the approved municipal sector plans	Signed reports on the implementation of approved municipal sector plans published.	4 quarterly reports published on the implementation of the approved municipal sector plans	R10 000.00	None	The department has submitted the reports on the implementation of the IWMP IEMP.	The department should submit a report on the implementaion of the WSDP	Achieved	Achieved
	Implementation of a compliance checklist pertaining to key legislation requirements for the department	Number of prpgress reports on the implementaion of a compliance checklist.	4 quarterly reports on the implementation of the compliance checklist.	R3573343 (this amount is inclusive of the salaries allocated to the office of the municipal manager as the acounting office is responsible for risk management, internal audit and performance	None	The updated quarterly compliance checklist have been submitted.	None	Achieved	Achieved
	Percentage of resolutions (Council, Sec. 80, Management) implemented within the required time frames	Percentage of resolution implemented within the required time frame	90% of the resolutions implemented on time	Operational budget	None	No information provided for this indicator	The department should submit a report on the implementation of the council resolutions	Not Achieved	Not Achieved

	Number of risk assessment and action plan reviews/ updates	Reports on the implementation of the risk management action	12 monthly risk assessment and action plan reviews/ updates	R3573343 (this amount is inclusive of the salaries allocated to the office of the municipal manager as the acounting office is responsible for risk management, internal audit and performance	Monthly risk Assessments	The 12 monthly updated risk assessment and action plan reviews/ updates have been submitted	None	Achieved	Achieved
	Ensure that the Technical Services develop all Service Level Agreements with the appointed service provider.	Copies of the signed service level agreements.	All SLA must be signed and completed within 14 working days after the appointment.	Operational budget	None	The department has submitted a report and signed service level agreement with the appointed service providers.	None	Achieved	Achieved

DEPARTMENT: CORPORATE SERVICES									
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2017/18	ANNUAL BUDGET ALLOCATION	COMPARISON WITH 2016/17 TARGETS	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote equal job opportunities, inclusion and redress.	The number of people from employment equity target employed (newly appointed) by 30 June 2018 in compliance with the municipality's approved employment equity plan	The number of people from employment equity target employed (newly appointed) by 30 June 2018 in compliance with the municipality's approved employment equity plan (Employment equity reports approved and submitted)	2 People from employment equity target employed (newly appointed) by 30 June 2018 in compliance with the municipality's approved employment equity plan	Operational budget	2 Reports Submitted	The employment equity report has been submitted indicating a total number of 14 new employees recruited in the 2017/ 2018 financial year.	None	Achieved	Achieved
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Submit monthly report to management on the actual performance against the SDBIP	Monthly report submitted to management	12 Monthly performance report	Operational budget	12 monthly reports	The attendance registers and the minutes of the monthly management meetings where the monthly performance reports have been tabled are submitted	None	Achieved	Achieved
	Number of OHASA awareness campaigns conducted to ensure protection of employees.	OHASA awareness campaigns conducted (Number of reports submitted)	4 Quarterly OHASA awareness campaigns conducted	R50 000.00	Campaigns/ Reports conducted	The four quarterly reports on OHASA awareness campaigns conducted have been submitted.	None	Achieved	Achieved
	Hold quarterly health and safety meetings to discuss all safety related issues of the employees	quarterly health and safety meetings held (Number of reports submitted)	4 Quarterly health and safety meetings held.	R50 000.00	None	The attendance registers and the minutes of the 4 quarterly attendance registers have been submitted	None	Achieved	Achieved
	Institutional Workplace Skills Plan developed and submitted to Municipal Manager for approval	Approved workplace skills plan.	Compliant WSP developed and approved (April 2018)	R200 000.00	Approved WSP	The approved work skills plan has been submitted.	None	Achieved	Achieved
	Number of officials & Councillors capacitated in terms of Workplace Skills Plan	Identified officials and councillors Capacitated in terms of workplace skills plan (quarterly reports on the implementation of the works skills plan)	All identified officials & Councillors trained as per the WSP (Quarterly)	R200 000.00	All identified officials and councillors trained	The reports on the implementation of the work skills plan for all the official and councillors identified for been capacitated have been received.	None	Achieved	Achieved

DEPARTMENT: CORPORATE SERVICES									
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY									
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2017/18	ANNUAL BUDGET ALLOCATION	COMPARISON WITH 2016/17 TARGETS	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Expansion, modernisation, access and affordability of our Information and communications infrastructure ensured.	Installation of the Firewall on municipal network infrastructure by September 2017	IT infrustructure protected against the virus (screen shots and proof of installation)	Firewall instaled on municipal IT infrastracture	R 55 000,00	Firewall Installed	The proof of installation of the firewall and the screenshots have been submitted.	None	Achieved	Achieved
	Installation of Acronics Server on the municipal IT Infrastructure by April 2018	1 Acronics server installed on Municipal the Municipal IT infrustructure.	Acronics Server installed on the municipal IT Infrastructure by April 2018	R 45 000,00	None	The proof of installation of the acronics server and the screenshots have been submitted.	None	Achieved	Achieved
	Installation of anti-virus in all municipal computers and ITInfrastructure by December 2017	All municipal computers and IT infrustructure protected against the virus (screen shots and proof of installation)	Anti-virus installed on municipal computers and IT infrastracture by December 2017	R 12 000,00	100% of anti-virus was instaled	The proof of installation of the Anti-Virus and the screenshots have been submitted.	None	Achieved	Achieved

DEPARTMENT: CORPORATE SERVICES									
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT									
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2017/18	ANNUAL BUDGET ALLOCATION	COMPARISON WITH 2016/17 TARGETS	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Create an environment that promotes development of the local economy and facilitate job creation.	Percentage of unskilled labour in all the capital projects of the Municipality are from the local municipality area	100% local unskilled labour appoinments is local based.	100% of unskilled labour on all the capital projects from the local municipal area	R 1 000 000,00	100% of unskilled labour (ongoing)	The appointment letters of the unskilled labour on all the capital projects have been submiited.	None	Achieved	Achieved
	Create Full Time Equivalent (FTE) through government expenditure with EPWP grant by 30 June 2018	Signed appointment letters and statistics submitted to Province/National	Full Time Equivalent created by 30 June 2018	R 1 000 000,00	None	The Full Time equivalent report and the appointment letters have been submitted.	None	Achieved	Achieved

DEPARTMENT: CORPORATE SERVICES									
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT									
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2017/18	ANNUAL BUDGET ALLOCATION	COMPARISON WITH 2016/17 TARGETS	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management.	Number of reports on the implementation of the revenue enhancement stratetegy for all the revenue sources applicable to the department .	Proof of collection of the anticipated revenue as per the revenue enhancement strategy.	12 monthly reports on the implementation of the revenue enhancement strategy for the revenue sources applicable to the department.	Operational budget	1 annual report on the implementation of the revenue enhancement strategy.	The updated revenue reports on the implementation of the revenue enhancement strategey have been submitted.	None	Achieved	Achieved

	Percentatge compliance with section 75 of MFMA (documents to be placed on the webste)	1.The annual and adjustment budgets and all budget related documents. 2. All budget related policies. 3. All performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act. 4. All service delivery agreements. 5. All long term-borrowing contracts. 6. All supply chain management contracts above a prescirbed value. 7. All annual report.	100% compliance with section 75 of MFMA (document to be place on the website) Monthly updates	R 10 000	Documents have been placed in the municipal website	The singed screen shots for the website updates have been submitted for the financial year.	None	Achieved	Achieved
	Number of assets counts perform on a municipal movable assets and submitted to CFO	Signed Assets count sheets	12 counts performed on municipal movable assets and submission to CFO	Operational budget	None	The singed assets counts performed on the municipal movable assets ackonwledged by the CFO have been submitted.	None	Achieved	Achieved
	Percentage of training budget spent on the implementation of the approved work skills plan.	100% training budget spent by 30 June 2018	Quarterly reports on the spending of budget for work skills plan.	R 200 000,00	None	The updated report has been submitted indicating 100% expenditure on work skills plan budget for the fiancial year	None	Achieved	Achieved
	Compile monthly leave report.	Monthly leave reports 10 days after the end of each month.	12 monthly leave reports compiled	Operational budget	None	The 12 monthly leave reports have been submitted for the finacial	None	Achieved	Achieved
	Ensure timely preparation of the Directorate's budget for 2018/19 based on the approved IDP	Departmental budget submitted to finance department.	Departmental budget approved as part of the annual budget by 30 June 2018	Operational budget	Budget inputs submitted to Finance	The minutes of the approved budget incorporating the department have been submitted	None	Achieved	Achieved

	Ensure timely preparation of the Directorate's adjustment budget for 2017/18 financial year based on the approved midyear budget and performance assessment.	Departmental adjustment budget submitted to finance department.	Department adjustment budget approved as part of the municipal adjustment budget by February 2018.	Operational budget	Budget inputs submitted to Finance	The minutes of the approved adjustment budget incorporating the department have been submitted	None	Achieved	Achieved
	Attend to corrective as identified in internal and external audit reports and reduce risk areas within three months of receipt of reports.	Percentage of issues raised and proposed corrective measures attended to.	95% of issues raised and proposed corrective measures attended to	Operational budget	90% of issues attended to.	The updated report on the implementation of the audit recovery with 95% achievement of issues raised has been submitted	None	Achieved	Achieved

DEPARTMENT: CORPORATE SERVICES									
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL TARGETS 2017/18	ANNUAL BUDGET ALLOCATION	COMPARISON WITH 2016/17 TARGETS	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Annual calendar developed & adopted by Council, EXCO, Sec 80 Comm, Audit Committee, Risk Committee and MPAC	Approved annual calendar	Developed & approved annual calendar of council meetings (October 2017)	Operational budget	Approved annual calendar of council meetings	The approved schedule of council meetings, EXCO, Sec 80 comm, Audit committee, risk committee and MPAC have been submitted	None	Achieved	Achieved
	Number of LLF Meetings conducted	Attendance register and minutes of the LLF meetings	4 LLF Meetings per annum(1 per quarter)	Operational budget	4 Meetings held	The Minutes of the LLF meetings for the financial year have been submitted	None	Achieved	Achieved
	Percentage of Council minutes dispatched to departments	Aknowledgement of receipt by relevant officials.	100% of council minutes dispatched (quarter) to departments	Operational budget	100% of council minutes circulated and dispatched	The proof of aknowledgement of the council minutes have been submitted.	None	Achieved	Achieved
	Implementation of a compliance checklist pertaining to key legislation requirements for the department	Number of prpgress reports on the implementaion of a compliance checklist.	4 quarterly reports on the implementation of the compliance checklist.	Operational budget	None	The quarterly progress reports on the compliance checklist have been submitted.	None	Achieved	Achieved

	Number of consolidated ward committee reports submitted	Quarterly consolidated reports	4 quarterly consolidated ward committee reports.	Operational budget	Monthly reports have been submited	The quarterly consolodated ward commiittee reports have been submitted	None	Achieved	Achieved
	% distribution of the council resolution to all the relevant officials for implementation	100% distribution of the council resolutions to all relevant officials	100% council resolutions distributed	Operational budget	None	The proof of aknowledgement of the council resolutions have been submitted.	None	Achieved	Achieved
	Percentage of resolutions (Council, Sec. 80, Management) implemented within the required time frames	Percentage of resolution implemented within the required time frame	100% of the resolutions implemnted on time	Operational budget	None	The updated council execution registers have been submitted indicating that all the council resolution relating to corporate services have been submitted	None	Achieved	Achieved
	Number of risk assessment and action plan reviews/ updates	Reports on the implementation of the risk management action	12 monthly risk assessment and action plan reviews/ updates	Operational budget	Monthly risk Assessments	The updated risk assessment and action plan reviews have been submitted.	None	Achieved	Achieved
Expansion, modernisation, access and affordability of our Information and communications infrastructure ensured.	Number of ICT steering committtee meetings held	Attendance register and minutes of the ICT steering committee meeting	4 ICT steering committee Meetings per annum (1 per quarter)	Operational budget	4 Meetings held	The attendance register and the minutes of the ICT steering committee meeting has been submitted.	None	Achieved	Achieved

10 CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

10.1 INTRODUCTION TO THE MUNICIPAL PERSONNEL

10.1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Relevant Department	Approved posts	Employees No	Vacancies No	Vacancies %
30 JUNE 2015				
TECHNICAL SERVICES	120	102	18	15.00
COMMUNITY SERVICES	118	110	8	6.78
FINANCIAL SERVICES	32	27	5	15.60
CORPORATE SERVICES	27	25	2	7.40
MUNICIPAL MANAGER	7	6	1	14
30 JUNE 2016				
TECHNICAL SERVICES	120	94	26	21.67%
COMMUNITY SERVICES	118	105	13	11.02%
FINANCIAL SERVICES	33	26	7	21.21%
CORPORATE SERVICES	26	22	4	15.38%
MUNICIPAL MANAGER	7	6	1	14%

10.1.2 MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality has developed and adopted number of policies that are intended to create a fair, efficient and transparent system on matters affecting the employees. The municipality reviews these policies regularly to ensure that they are on par with best practices, new and amended legislation.

The Municipality has approved policies and procedures used to govern the institution, and these policies and procedures are communicated to the staff. As the municipality we do have the Employment Equity Plan however we do not meet the provincial equity targets. We have introduced disclosure of interest and related parties form and confidentiality and non-disclosure declaration. Municipality complies with BCEA and other labour related legislation at workplace.

10.1.3 INJURIES, SICKNESS AND SUSPENSIONS

The report covers the progress of Health and Safety Division and includes the following reports:

- IOD investigations and the response from the Department of Labour.
- IOD'S attended to during 2016/ 2017.

Employees injured on duty:

- Hoopstad and Bultfontein : 21

TYPES	CAUSE OF INJURY	NUMBER OF AFFECTED EMPLOYEES
Trailers	Falling from trailer behind the tractor and causing injuries.	4
Tools	Not handling tools accordingly can injure a person.	0
Negligence	Not paying attention when preforming duties.	0
Hit by an objects	Flying object from mowing machines.	6
Object lifting	Employees lift heavy object and strain themselves [they don't ask for help].	1
Slipped / fell	Employees don't pay attention to slippery places or floors. They don't check steps.	4

Others	Some employees were stung by bees and bitten by spiders. Foreign particle in the eye.	6
Total number of injured employees		**21**

TYPE OF INJURY		INJURY LEAVE DAYS TAKEN	EMPLOYEE USING INJURY LEAVE DAYS	AVERAGE INJURY LEAVE PER EMPLOYEE DAYS
Need basic medical attention	2	101	21	5
Temporary disablement	0	0	0	0
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
Total	**2**	**101**	**21**	5

The total number of IOD leave days taken by injured employees was 101 days.

NB: From the total number of injured employees recorded only one were placed on light duty and the others are doing their normal duties.

When the Hoopstad cases were investigated it was found that the injuries on duty were caused by chemical inhalation whilst employees were working.

The cases in Bultfontein range from employees being injured by objects falling on them or being struck by objects and employees lifting heavy objects and straining themselves.

Health and Safety officer follow-up all cases with doctors who examined the injured employees and submit all documentation [i.e. first, progress and final reports] to the Department of Labour.

Awareness Campaigns:

Awareness campaigns conducted were on:

- Talking ladder safety.
- Protection of integrated eyes, head and face.
- Using machine safety.
- Blind sport psychological factors that can get you injured.
- A guide to eye wash emergency shower station.
- Awareness on manholes entrance.
- 4 tips to make your safety observation more impactful.

10.1.4 PERFORMANCE REWARDS

The municipality has in the financial year under review planned to conduct the annual performance assessment in September 2018 for the Municipal Manager and the Managers directly reporting to the Municipal Manager in line with the Municipal Performance Management Regulation of 2006. The report has been compiled recording the results of the assessment and the recommendations of the evaluation committees.

The management has in the 2017/ 2018 performed quarterly individual assessment of Managers directly reporting to the Municipal Manager in line with the performance regulations. This assessment will assist in compiling the annual performance assessment to be presented to the evaluation committees.

10.1.5 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Work Skills Plan drawn in terms of the Skills Development Act. Assessment of skills levels of employees and gaps are regularly identified and external interventions sought and implemented in line with the Plan.

The municipality has developed / updated the Human Resource Policy - policy, which gives directives for appointment of sufficiently experienced and skilled personnel. We have conducted skills audit as part of skills intervention to determine how many employees need training intervention as part of capacity building. In terms of our WSP we have identified which employees need capacity development.

There has been improvement in terms of training and capacitating our employees. Numbers of skills programmes have been conducted and employees trained to be efficient in performing their duties, however the challenge is that the level of education of certain employees prohibits them from furthering their qualifications.

10.1.5.1 CAPACITATION OF THE MUNICIPAL WORKFORCE

10.1.6 SKILLS DEVELOPMENT AND TRAINING

LGSETA STRATEGIC FOCUS AREA	MUNICIPAL KEY PERFORMANCE AREA	MAIN IDP PRIORITY LINKED TO KEY PERFORMANCE AREA	TOTAL NUMBER TRAINED					
			EMPLOYED		TOTAL	UNEMPLOYED		TOTAL
			FEMALE	MALE	54	FEMALE	MALE	10
Infrastructure and Service Delivery	Basic Service Delivery and Infrastructure Development	To ensure access to basic service delivery	5	8	18	0	0	0
Community Based Participation and Planning	Good Governance and the Deepening of Democracy	To build and enhance the governance system	8	11	19	0	0	0
Management and Leadership	Municipal Transformation and Institutional Development	To enhance public participation	0	0	0	0	0	0
Financial Viability	Municipal Financial Viability and Management	To strengthen the financial management system	0	0	0	0	0	0
Community Based Participation and Planning	Sustainable Local Economic Development	To enhance public participation		0		0	0	0
SUB-TOTAL			13	19	37	0	0	0

NUMBER OF BENEFICIARIES WHO COMPLETED TRAINING BY TYPE OF LEARNING INTERVENTION										
TYPE OF LEARNING INTERVENTION	**NUMBER OF BENEFICIARIES BY OCCUPATION CATEGORY**									**TOTAL**
	Legislators	Managers	Professionals	Technicians and Trade Workers	Community and Personal Services Workers	Clerical and Administrative Workers	Sales and Service Workers	Machinery Operators and Drivers	Elementary Workers	57
Apprenticeship	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Bursary	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Learnership	**4**	**1**	**1**	**0**	**0**	**16**	**0**	**0**	**0**	**22**
RPL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Skills Programme	**4**	**2**	**0**	**0**	**0**	**8**	**0**	**0**	**25**	**33**
Short Course: Non-credit	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**1**
TOTAL	**8**	**3**	**1**	**0**	**0**	**25**	**0**	**0**	**25**	**55**

TYPE OF LEARNING INTERVENTION BY NQF LEVEL											
TYPE OF LEARNING INTERVENTION	**NQF LEVEL OF LEARNING INTERVENTIONS**										**TOTAL**
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**13**
Apprenticeship	0	0	0	0	0	0	0	0	0	0	**0**
Bursary	0	0	0	0	0	0	0	0	0	0	**0**
Learnership	0	0	0	3	0	0	0	0	0	0	3
RPL	0	0	0	0	0	0	0	0	0	0	**0**
Skills Programme	0	0	3	0	0	0	0	0	0	0	**3**
Short Course: Non-credit	0	0	0	0	0	0	0	0	0	0	**0**
TOTAL	**1**	**0**	**3**	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**7**

11 FINANCIAL PERFORMANCE

This chapter comprises of three components:

- Component A: Statements of Financial Performance
- Component B: Cash Flow Management and Investments
- Component C: Other Financial Matters

11.1 COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The information will be included after the final audited set of the 2017/ 2018 Financial Statements.

Tswelopele Local Municipality

(Registration number FS183)

Annual Financial Statements for the year ended 30 June 2018

Statement of Financial Performance

Figures in Rand	**2018**	**2017 Restated***
Revenue		
Revenue from exchange transactions		
Service Charges	50 265 636	48 518 267
Rental of facilities and equipment	607 916	737 040
Interest received – trading	196 959	702 438
Business licence applications	21 700	28 088
Discount received	15 941	-
Recoveries	11 956	225 675
Other income	523 445	929 562
Interest received – investment	1 025 110	653 593
Fair value adjustments	-	4 607
Gain on biological assets	323 827	-
Dividends received	51 428	19 722

Total revenue from exchange transactions	**53 043 918**	**51 818 992**
Revenue from non-exchange transactions		
Taxation revenue		
Property rates	22 737 843	15 853 885
Transfer revenue		
Government grants & subsidies	99 446 151	96 362 797
Public contributions and donations	500 000	-
Fines, penalties and forfeits	268 900	273 700
Total revenue from non-exchange transactions	**122 952 894**	**112 490 382**
Total revenue	**175 996 812**	**164 309 374**
Expenditure		
Employee related costs	(61 913 496)	(57 856 692)
Remuneration of councillors	(5 424 812)	(4 782 759)
Depreciation and amortisation	(26 574 257)	(27 033 923)
Impairment loss	(127 624)	(658 654)
Finance costs	(7 812 659)	(4 760 278)
Debt Impairment	(6 848 848)	(13 143 828)
Bulk purchases	(36 437 704)	(34 143 828)
Contracted services	(959 648)	(38 448)
Loss on disposal of assets and liabilities	(2 343 817)	-
Fair value adjustments	(93 513)	-
Loss on biological assets and agricultural produce	-	(2 303 038)
General expenses	(34 979 403)	(41 296 174)
Total expenditure	**183 515 781**	**185 926 968**
Operating deficit	**7 158 969**	**21 617 594**
Gain (loss) on disposal of assets and liabilities		

11.2 GRANTS

Government grants and subsidies	2018	2017
Capital and operating grants		
Equitable share	59 702 000	59 825 000
Financial Management Grant	1 900 000	1 825 000
EPWP Government Grant (operating)	1 000 000	1 000 000
INEP Grant	6 486 943	-
Regional Bulk Infrastructure Grant	16 683 813	22 703 642
Lejweleputswa Grant	-	113 600
EEDSM Grant	-	1 639 440
Municipal infrastructure grant	13 673 395	9 492 115
	99 446 151	**96 362 797**

11.3 ASSET MANAGEMENT

The municipality developed an asset management policy which was approved along with the budget related policies in June 2016.

The municipality is using the manual asset register for asset management for both movable and immovable assets of the municipality. The municipality is in the processes of incorporating the manual register into the financial system i.e. Munsoft. This incorporation will assist the municipality to improve the effectiveness for accounting of the municipal assets. The asset register is compliant to the applicable GRAP standards.

Monthly monitoring and preparation of reconciliations of votes for assets acquired is conducted and newly acquired assets can also be detected if they were not reported in advance by the SCM Unit. Assets are then registered and dispatched to the relevant user after all asset management processes have been exhausted i.e. classification, coding, etc.

The municipality is in the process recruiting the SMC and Asset Manager for proper and improved management of assets in the municipality.

11.4 SOURCES OF FINANCE

Figures in Rand	2018	2017
Revenue		
Service charges	50 265 636	48 518 267
Rental of facilities and equipment	607 916	737 040
Interest received (trading)	196 959	702 438
Business licence applications	21 700	28 088
Discount received	15 941	-
Recoveries	11 956	-
Other income - (rollup)	523 445	929 562
Interest received - investment	1 025 110	653 593
Dividends received	51 428	19 722
Property rates	22 737 843	15 853 885
Government grants & subsidies	99 446 151	96 362 797
Public contributions and donations	500 000	-
Fines, Penalties and Forfeits	268 900	273 700
	175 672 985	164 304 767

11.5 CASH FLOW MANAGEMENT AND INVESTMENTS

Cash Flow Statement

Figures in Rand	**2018**	**2017**
		Restated*
Cash flows from operating activities		
Receipts		
Sale of goods and services	58 865 331	47 303 810
Grants	102 088 786	95 727 922
Interest income	1 222 069	1 356 031
Dividends received	51 428	19 722
Other receipts	-	2 230 903
Fines, penalties and forfeits	268 900	-
	162 496 514	**146 638 388**
Payments		
Employee costs	(65 684 183)	(62 586 814)
Suppliers	(48 131 378)	(47 655 693)
Finance costs	(5 935 829)	(4 665 832)
VAT payments	(4 162 368)	2 371 384
	38 582 756	34 101 433
Cash flows from investing activities		
Purchase of property, plant and equipment	(31 056 101)	(33 659 442)
Cash flows from financing activities		
Repayment of other financial liabilities	(1 465 685)	410 402
Net increase/(decrease) in cash and cash equivalents	6 060 970	852 393
Cash and cash equivalents at the beginning of the year	5 074 425	4 222 032

Cash and cash equivalents at the end of the year	**11 135 395**	**5 074 425**

11.6 OTHER FINANCIAL MATTERS

The information will be included after the final audited set of the 2017/ 2018 Financial Statements.

11.7 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT UNIT

The functions of the SCM unit involve:

1. Managing demand procedures and acquisitions including policies, procedures, database, compliance and adherence to prescribed procurement practices
2. Ensuring tender evaluation and contract prescript are adhered to
3. Managing compliance, risks, performance and reporting in the supply chain management system
4. Coordinating, controlling and applying logistics management practices and procedures in order to administer and manage the receipt, safeguarding and issuing of store items.

Tswelopele Supply Chain Management is a unit within the Finance Section. It is comprised of:

- The Chief Financial Officer (Head of SCM Unit)
- Manager: SCM & Asset
- SCM Practitioner
- 2 x Principle Procurement Clerks

The SCM regulations stipulate the following:

a) SCM regulation 6(2) (a) (i) - that the council of a municipality must maintain oversight over the implementation of its SCM policy. For the purpose of such oversight the accounting officer must within 30 days of each financial year submit a report on the implementation of the SCM policy of the municipality to the Council.
b) SCM regulation 6(2) (3) – the Accounting Officer shall within 10 days after the end of each quarter submit implementation reports on SCM to the Mayor.

INTERNAL SCM PROCEDURES AND PROCESSES
Threshold values

The threshold values have been determined as follows:
1) Petty cash – R100
2) Up to R1 000 (vat included) – One written price quotation
3) R1 001 - R2,000 (vat included) – Two written price quotations
4) R2 001 – R30,000 (vat included) – Three written price quotations
5) R30 001 – R200,000 (vat included) – Three written formal price quotations
6) Above R200 000 (vat included) – Competitive bidding process

SCM Process for acquisitions up to R200 000.00
The SCM process of Tswelopele Local Municipality operates as follows;

- Demand Form – The requesting department completes a demand form which is approved by the Head of Department or any delegated official. The demand form is submitted to SCM practitioner who sources quotations.
- A requisition is raised by the SCM Practitioner and approved by the CFO and the Municipal Manager.
- Purchase Order – Based on the above thresholds, quotations are sourced from potential suppliers. A purchase order is raised for the awarded quotation. The orders are done in triplicate of which one copy is sent to the supplier, one copy for filing and one copy is sent to creditors for processing. The order numbers are sequentially numbered from the system. The purchase orders are approved by the CFO and in his absence by a Senior Official delegated by the CFO.

The SCM processes are monitored monthly by use of irregular expenditure registers and deviations registers.

SCM Process for acquisition above R200 000.00

Bid Documents
The bids documents are as prescribed by the National Treasury include the General Conditions of Contract.

Bid Committee Structures
The following committees have been established:
i) The bid specification committee
ii) The bid evaluation committee
iii) The adjudication committee
The Accounting Officer appoints members for each committee.

According to the SCM policy the composition of the above committees should be as follows:

i) Bid Specification committee – must be composed of:
a) One or more officials of the municipality, preferably from user departments requiring the goods or services.
b) SCM practitioners
c) And when appropriate, include external technical specialists.

ii) Bid evaluation committee – must as far as possible be composed of:
a) Officials from departments requiring the goods and services
b) At least one SCM practitioner of the municipality

iii) Bid adjudication committee – must consist of
a) at least four senior managers of the municipality (including the CFO)
b) At least one SCM practitioner who is an official of the municipality
c) A technical expert in the relevant field who is an official of the municipality

Compliance – The bid committees meet the requirements of the SCM policy and SCM regulations.

11.8 MUNICIPAL SERVICE CHARGES ASSESSMENT AND OUTSTANDING DEBTORS.

	2018	**2017**
Consumer debtors		
Gross balances		
Electricity	11 027 787	9 146 603
Water	9 646 248	7 461 868
Sewerage	13 744 170	10 749 749
Refuse	9 533 266	7 399 762
Other	2 174 110	1 857 857
	46 125 581	36 615 839

Report of the auditor-general to the Free State Legislature and the council on the Tswelopele Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Tswelopele Local Municipality set out on pages … to …, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Tswelopele Local Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

Basis for qualified opinion

Property, plant and equipment

3. The municipality did not disclose property, plant and equipment owned by the municipality in the fixed asset register; furthermore, property that did not belong to the municipality was included in the fixed asset register. I was unable to confirm the ownership of these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R541 535 132 in note 5 to the financial statements. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

Payables from exchange transactions

4. I was unable to obtain sufficient appropriate audit evidence for payables as described in note 20 to the financial statements. Payables could not be substantiated by supporting audit evidence as the information relating to the suspense account was not submitted. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustment would be necessary to payables amounting to R84 177 488.

Property rates

5. I was unable to obtain sufficient appropriate evidence for revenue from property rates as I was unable to confirm and rely on the value of the properties falling within the borders of the municipal area. Consequently, I was unable to determine whether any adjustments were necessary to revenue from property rates and stated at R22 737 843 in the annual financial statements. Additionally there was an effect on receivables from non-exchange transactions.

General expenditure

6. I was unable to obtain sufficient appropriate audit evidence for general expenditure due to the status of the accounting records. The municipality did not have all the supporting documents for transactions and events recorded in the financial statements. I could not confirm general expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to general expenditure stated at R34 979 403 in the financial statements. In addition, the municipality did not recognize all items of general expenditure in accordance with the Standard of Generally Recognised Accounting Practice (GRAP) 1, *Presentation of Financial Statements*. The municipality included in general expenditure transactions that were not approved; and transactions that did not relate to the current period. Consequently, general expenditure was overstated and payables was overstated by R2 576 072 (2017: R666 347). There was also a resultant impact on the surplus for the period and on the accumulated surplus.

Employee-related costs

7. I was unable to obtain sufficient appropriate audit evidence for the employee cost as described in note 28 to the financial statements. Employee costs could not be substantiated by supporting audit evidence. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the employee costs figure stated.

Commitments

8. The municipality recorded commitments at amounts that differed materially from the contracted amounts. Consequently, commitments were overstated by R2 821 706 as the supporting information differed materially from the disclosed amounts. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the amounts disclosed in the financial statements.

Irregular expenditure

9. The municipality did not include irregular expenditure in the notes to the financial statements, as required by section 125(2) (d) of the MFMA. This was due to payments made in contravention of the supply chain management requirements, which resulted in irregular expenditure of R6 546 180. In addition, I was unable to obtain sufficient

appropriate audit evidence to confirm the irregular expenditure included in the notes to the financial statements, as sufficient appropriate audit evidence was not provided. Furthermore I was unable to confirm the amounts of write-off, as the evidence provided was not adequate. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure stated at R15 103 149 in the financial statements.

Accumulated surplus

10. I was unable to obtain sufficient appropriate audit evidence regarding accumulated surplus of R505 633 220 disclosed in the financial statements due to various inconsistencies in the various components of the financial statements. I was unable to confirm accumulated surplus by alternative means. Consequently, I was unable to determine whether any adjustments were necessary relating to accumulated surplus in the financial statements.

Context for the opinion

11. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

12. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Material uncertainty relating to going concern

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

14. Note 46 to the financial statements indicates that the municipality incurred a net loss of R7 518 969 during the year ended 30 June 2018 and, as of that date the municipality's current liabilities exceeded its current assets by R46 354 534. These events or conditions, along with other matters as set forth in note 46, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

15. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Fruitless and wasteful expenditure

16. As disclosed in note 48 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R4 874 385 (2017: R1 150 175) mainly due to no interest charged by Eskom.

Restatement of corresponding figures

17. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Material losses

18. As disclosed in note 43 to the financial statements, electricity distribution losses of 12, 88% (2017: 11, 95%) of total electricity purchased were incurred by the municipality mainly due to tampering and theft.

Material impairment

19. As disclosed in note 13 to the financial statements, receivables from exchange transactions were impaired by R28 775 603 (2017: R23 271 648).

Other matters

20. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

21. In terms of section 125(2) (e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Unaudited supplementary information

22. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

23. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

24. In preparing the financial statements, the accounting officer is responsible for assessing the Tswelopele Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

25. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

26. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

27. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas (KPAs) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

28. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

29. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPAs presented in the annual performance report of the municipality for the year ended 30 June 2018:

KPA	Pages in the annual performance report
Key Performance Area 2 - Infrastructure Development and Service Delivery	x – x

30. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

31. The material findings in respect of the usefulness and reliability of the selected KPA are as follows:

KPA 2 – Infrastructure Development and Service Delivery

Weekly collection of domestic waste from all formalised residential areas, public facilities and businesses

32. The planned indicator indicated weekly collection of domestic waste from all formalised residential areas, public facilities and businesses in the Service Delivery and Budget Implementation Plan (SDBIP); however, the planned target indicated 100% of all formalised households, public facilities and businesses with access to electricity services.

Other matters

33. I draw attention to the matters below.

Achievement of planned targets

34. Refer to the annual performance report on pages … to … for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 32 of this report.

Adjustment of material misstatements

35. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of

KPA 2 – Infrastructure Development and Service Delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

36. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

37. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

38. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2) (e) of the MFMA.

39. Reasonable steps were not taken to prevent irregular expenditure amounting to R15 103 149 as disclosed in note 49 to the annual financial statements, as required by section 62(1) (d) of the MFMA.

40. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R12 145 950, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA.

Revenue management

41. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Consequence management

42. I was unable to obtain sufficient appropriate audit evidence that losses resulting from irregular expenditure were recovered from the liable person, as required by section 32(2) of the MFMA. This was because proper and complete records were not maintained as evidence to support the investigations into irregular expenditure.

43. I was unable to obtain sufficient appropriate audit evidence that losses resulting from fruitless and wasteful expenditure were recovered from the liable person, as required by section 32(2) of the MFMA. This was because proper and complete records were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.

Asset management

44. Capital assets were disposed that were needed to provide the minimum level of basic municipal service, in contravention of section 14(1) of the MFMA.

45. Capital assets were permanently disposed without the approval of the council, as required by section 14(2) (a) of the MFMA.

Procurement and contract management

46. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value of below R200 000 were procured using price quotations as required by SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.

47. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2).

48. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

49. Some of the quotations were accepted from bidders who did not submit a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

50. Sufficient appropriate audit evidence could not be obtained that bid adjudication committees were always composed in accordance with SCM regulation 29(2).

51. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act.

52. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.

53. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations.

54. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

55. Awards were made to providers who were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

Other information

56. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected KPAs presented in the annual performance report that have been specifically reported in this auditor's report.

57. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

58. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPAs presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

59. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I

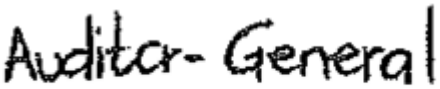
may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

60. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

61. Leadership did not ensure that relevant laws and regulations were complied with due to a lack of capacity.

62. Management did not have processes in place to ensure that financial information was available when requested, mainly because the chief financial officer was on special leave. The delays cause by the non-submission resulted in material limitations on the audit.



Bloemfontein

30 November 2018



Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected KPAs and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

    - Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
    - Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Tswelopele Local Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

12 ANNUAL FINANCIAL STATEMENT WITH THE ANNUAL AUDIT COMMITTEE REPORT 2017 / 2018 FINANCIAL YEAR (ANNEXURE A)

13 CHAPTER 8: AUDIT RECOVERY PLAN (ANNEXURE B)

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
IMMOVABLE ASSETS	Municipality's properties from the valuation roll not included on the asset register (ISS.66)	There are properties identified from the valuation roll with Tswelopele as the registered owner are not included in the asset register.	Management should ensure that the valuation roll and the asset register are comparable and complete.	Community Services and Financial Services	Quarterly	Updated Fixed asset register.
IMMOVABLE ASSETS	(CAF 66) PPE – Municipality's properties from the valuation roll not included on the asset register	Properties identified from the valuation roll with Tswelopele as the registered owner are not included in the asset register:	Include Farm Bultfontein 396 portion 35 and Farm Morgezon 455 portion 1 in the Municipal valuation roll on the Farms	Community Services Finance: Revenue	Jun-19	Updated valuation roll

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
			sections			
IMMOVABLE ASSETS	PPE – (68)Properties that do not belong to the municipality still registered under municipality's name	Properties that do not belong to the municipality still registered under municipality's name:	Conduct awareness campaigns teaching community members about the title procedure and its impact to the Municipality. Going forward on new allocation of erven that a conveyancer be appointed who will administer site payment as well as title deed applications.	Community Services	Jun-19	**Item** be sent to **Council -** Council resolution and awareness campaign minutes and pamphlets.

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
			Council to include the title deed fee with the site purchase price.			
	PPE - (CAF 92) Properties owned by the municipality on the valuation roll, not registered under municipality's name	Properties owned by the municipality on the valuation roll, not registered under municipality's name	Finance to include Portion 1 of Erf 680 and Erf 708 in the valuation roll.	Community Services	19-Jun	Updated valuation roll

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PAYABLES	CAF 71: Payables from exchange - Cash suspense - Limitation of scope	Support was not provided	Municipality to make adverts inviting the clients to present proof of payments for deposits that are older than 365 days. For the rest of unknown deposits, municipality will recognise such as part of other revenue.	Finance	30/03/2019	**newspaper** advert
REVENUE	COA 90: Completeness of Property rates	During the audit of property rates, property with a description that is inaccurate was identified.	Valuation roll will be reviewed internally and to address all the inaccurate information	Finance	30/04/2019	proof of review of valuation roll

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
EXPENDITURE	(CAF:60) Limitation of scope.Iss.60	Two journals requested by auditors. Journal 399 was reclassification of expenditure and the journal was submitted to the auditors Journal 417 was a rollover journal of 2017/18 orders to 2019. The journal raised a liability not accounted for in the AFS	The rollover process to be discussed with Munsoft and be align to the Municipality's requirements	FINANCIAL SERVICES	31-Mar-19	Report on the engagement of Munsoft/ Resolution

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
EXPENDITURE	(CAF:80)Consulting & professional fees:cut-off.Iss.80		The journal 317 was subsequently inspected and the expenditure was correctly reversed in the 2017/18 financial period. The finding has therefore partially resolved. The two transactions will be corrected in the financial statements of 2018/19. A payments schedule indicating invoice dates will be maintained to facilitate the	FINANCIAL SERVICES/ TECHNICAL SERVICES	31 August 2019	AFS 2018/19 correction of the transactions identified. Proof of date of delivery of service done on the transformers 2018/19 list of payments

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
			identification of transactions not recorded in the correct accounting period			
EXPENDITURE	(CAF:89) Consulting and professional fees. Iss 89 (CAF:118) Incorrect classification of General Expenditure	A review of expenditure items in the general ledger against the supporting documents identified transactions not correctly allocated to correct financial statements line items.	A review the population of expenditure and allocate the transactions to correct line items of the financial statements. The 2017/18 expenditure line items in the financial statements will be reinstated to realign them to correct line	FINANCIAL SERVICES	31 August 2019	1) Expenditure realignment schedule 2) Reinstated expenditure line items in the AFS 2018/19

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
			items			

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
EXPENDITURE	(CAF:116) Presenting and disclosure's 116	1) Material line expenditure items were disclosed as part of General Expenditure 1.1. Consulting and professional fees of R5 225 985 1.2. Repairs and maintenance of R4 652 260 1.3. Other expenses of R9 596 287 2) Note 32 – repairs and maintenance is included under the notes to the financial statements but it is not included on face of the financial statements	Management disagreed with the finding based on; GRAP 1; 1) Par 96 which states the minimum requirements for the information that needs to be presented on the face of the statement of financial performance. 2) Par 101 – 102 which states information to be presented either on the face of the statement of financial performance or in the notes. Specifically on par 101 it states that when items of revenue and	FINANCIAL SERVICES	31 August 2019	2018/19 AFS

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
EXPENDITURE	(CAF:125) Internal control deficiency. Iss 125	Review of expenditure vouchers identified the following internal control deficiencies: 1. Refunds were made to debtors for over payment. However, municipality did not prepare the credit note to refund the debtors and transactions are not adjusted for VAT. 2. When capturing transaction below the identified that the municipality	1) Refunds identified during audit related to overpayment on tax clearance certificates. These are not billing related and therefore the issue of credit note is not applicable. The municipality will process such refunds against the revenue. 2) Transactions are recorded based on the items on the invoices. Explanation was	FINANCIAL SERVICES/ ALL DEPARTMENTS	31 August 2019	Expenditure payment vouchers

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		split the invoice for similar expenditure or invoice 3. Date of receipt of invoices not included when acknowledging that goods or service is received	given and issue resolved. 3) Invoice receipt dates will be included on all invoices when acknowledging the receipt of goods or service as received.			
EXPENDITURE	(CAF:81) Invalid VAT invoices. Iss 81	The VAT number of MUNSOFT could not be confirmed per the SARS VAT search conducted. The proof of VAT registration was sought fom the supplier and	1) Follow up to be done to verify the validity of MUNSOFT vat number.	FINANCIAL SERVICES	30 March 2019	Proof of VAT registration and the access PIN to verify.

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		submitted but still unresolved.				
EXPENDITURE	(CAF:76)Noncompliance with Section 6525) of the MFMA. Payment were not made within 30 days. (Iss.76)	Payments identified as not done to the suppliers within 30 days from the date of receipt of invoice and in a case where the invoices where not date stamped to confirm the receipt the supplier invoice date is used as receipt date.	Maintain a monthly register of all payments detailing the invoice/statement date and the payment date and the reasons for non-compliance with Section 65(2) of the MFMA where applicable.	FINANCIAL SERVICES	MONTHLY	Monthly register

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
EXPENDITURE	(CAF:110)VAT 201s not submitted timeously. (Iss.110)	VAT 201 returns for 2017/18 not been submitted on the 25th in the month following the month of the VAT 201 return.	Engage MUNSOFT regarding the system challenges and training (where relevant)	FINANCIAL SERVICES	MONTHLY	Copy of Submitted VAT 201 Returns and Monthly Reconciliation
EMPLOYEE COST	(CAF:52) Non-compliance with the collective agreement-Excessive overtime worked.Iss.52	The following officials were identified to have worked more than 60 hours a month as per the clock sheets. 1 9027- 13 September 2017 to 12 October 2017 Normal overtime=	Employees who work in excess of 60 hours are compensated only to the maximum of 60 hours in accordance with the Collective Agreement. The employee with excessive hours are required to arrange	FINANCIAL SERVICES/ CORPORATE SERVICES	MONTHLY	Clock sheets

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		54 Sunday/Public holiday= 11 65 2 0042 - 14 August 2017 to 12 September 2017 Normal overtime =42.5 Sunday/Public holiday= 18 60.5	time-off with their supervisor and the memo has been circulated to this effect by Human Resources department			
EMPLOYEE COST	(CAF:51) Supporting schedule does not agree to the AFS.Iss.51 (CAF:130) Differences between the note and the reconciliation (CAF:132) Leave pay provision accounted for twice (CAF:131) Incorrect	The 12months report does not agree to the amount disclosed on the annual financial statements note 28 The claims for the travelling expenses incurred by the	1) A reconciliation of the payday 12 months report to the AFS should be prepared 2) The AFS should be adjusted to reflect the correct amounts 3) The 2018/19	FINANCIAL SERVICES	MONTHLY	1) Reconciliation of 12 months report to 2017/18 AFS 2) Reconciliation of 12 months report to 2018/19 AFS 3) Adjustments

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
	classification of travel claims-Iss.131	municipal officials were incorrectly classified and included under travel, motor car, accommodation, subsistence and other allowances instead of general expenses	payroll interface should be thoroughly reviewed to ensure correct allocations of payroll line expenditures.			to the AFS
EMPLOYEE COST	(CAF:85)Overstatement of travellers allowance on councillors remuneration-Iss.85	The occurrence of the travel claims by the councillors could not be verified. The attached supporting documentation could not prove the occurrence of the	Controls to be implemented to ensure that adequate documentation is attached to prove occurrence of trips and attendance of meetings, forums	FINANCIAL SERVICES	MONTHLY	Claim form to be supported by a logbook and attendance registers

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		expenditure.	etc.			
EMPLOYEE COST	(CAF:133) Occurrence of Cellphone allowance could not be proven-Iss.133	1) Supporting documentation was requested for the occurrence of the Cellphone allowances Employee 5555 Cellphone allowance R10 000,00 Employee 5042 Cellphone allowance R10 000,00 2) The payment in respect of the leave pay paid by EFT was	1) Resolved2. Review of payroll done monthly before payout and ensure all payroll related costs are on payday	FINANCIAL SERVICES	MONTHLY	Expenditure vouchers and receipts

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		not taxed.				
COMMITMENTS	Commitments - Scope limitation- Appointments contract for commitments not submitted. (ISS.98)	The contracts that were requested by AGSA were not submitted.	The management should ensure that all contracts are properly safe kept and that contracts are signed and filled.	Technical Services	Monthly	Signed copy of a contract and or a letter from the Director indicating that there were no contracts in that month.
COMMITMENTS	Commitments - Accuracy (ISS.112)	Projects that were recorded at an incorrect amount on the contract register.	Management should correct the contract register and ensure that the closing balances of commitments are correctly accounted for.	Technical Services	Monthly	1. Appointment letters. 2. Developed and updated Commitments Register. 3. Proof of submission from the CFO.

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
			Perform capital grants reconciliation for all capital grants received by the municipality			**Updated** Capital Grant reconciliations **signed** and **reviewed** by the DTS and CFO.
PMS	AOPO - Non-compliance identified (ISS.6)	Reasons for underperformance not provided:	The departments are required to submit a singed motivation of any none/ under performance. The Annual Performance report will be reviewed by management before finalization to ensure that reasons	Strategic Manager	31-Aug-19	Annual Performance Report

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
			for underperformance have provided and actions to improve performance where targets are not been achieved			
PMS	AOPO - Internal control deficiencies identified (ISS.13)	Report not signed - No Proof that monthly reports were monitored by the supervisors and validated by directors.	The management has made a commitment that all the supporting documentations for all the reported achievements should be signed by all relevant officials and validated by heads of departments	Strategic Manager	Quarterly	Singed quarterly performance reports with supporting **evidence**

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
		Insufficient information to substantiate the reported achievements.	The municipality will develop a technical indicator description to assist management to know and clarify exactly what is required as supporting evidence per department.	Strategic Manager	30-Jun-19	complete technical indicator description
PMS	AOPO - Duplicate indicators and differences identified (ISS.26)	The following differences were identified between indicator planned targets and achieved targets	The management should review the performance reporting before submission to council to ensure that there are no duplicated indicators and reported	Strategic Manager	Quarterly	Singed quarterly performance reports with supporting **evidence**

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE OF THE FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
			information is in line with the planned targets			
PMS	AOPO - Differences between APR and supporting documentation (ISS.37)	During the audit of performance management information, the accuracy of the following indicators could not be confirmed due to differences identified between the annual performance report and the supporting documentation	The Service Delivery and Budget Implementation Plan will be reviewed to ensure that all the KPIs are SMART to ensure accuracy to the supporting documentation and annual performance reporting	Strategic Manager	28-Feb-19	Approved revised SDBIP

14 GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan [IDP]	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally

	accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

15 APPENDICES

15.1 APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES AND THEIR PURPOSE	
MUNICIPAL COMMITTEES	**PURPOSE OF COMMITTEE**
Finance Committee	Deals with municipal financial management.
Audit Committee	It is independent advisory body to council, municipal manager and management staff on financial controls, risk management, accounting policies, performance management.
Housing & erven	Deals with housing & erven matters within the municipality.
Local Labour Forum [LLF]	Platform were organised labour and the employer negotiates and bargains on issues affecting labour at local level.
Education	Deals with local educational matters.
Sports	Deals with issues affecting all sporting codes.
Agriculture & Rural Development	Deals with all matters pertaining to agriculture and rural development.
Economic Development	Deals with local economic development issues.
Social Development	Deals with social & welfare issues affecting the community.

15.2 APPENDIX C – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	FUNCTION APPLICABLE TO MUNICIPALITY (YES / NO)
CONSTITUTION SCHEDULE 4, PART B FUNCTIONS	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	No
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	No
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes